

**HB 2053 STAFF MEASURE SUMMARY**

**Carrier:** Rep. Hudson

**House Committee On Business and Labor**

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**Action Date:** 03/29/23

**Action:** Do Pass.

**Vote:** 11-0-0-0

**Yeas:** 11 - Boshart Davis, Elmer, Grayber, Holvey, Hudson, Nelson, Nosse, Osborne, Owens, Scharf, Sosa

**Fiscal:** Fiscal impact issued

**Revenue:** Has minimal revenue impact

**Prepared By:** Erin Seiler, LPRO Analyst

**Meeting Dates:** 2/1, 3/29

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**WHAT THE MEASURE DOES:**

Provides that person who carries on, conducts, or transacts business under assumed business name that person has not registered or does not maintain registration, lacks standing in state court to maintain action on behalf of business. Requires court to dismiss action without prejudice. Permits Secretary of State (SOS) to investigate violations of registration requirement. Directs SOS to investigate complaints that allege ascertainable loss of money or property as result of violation. Permits SOS to impose civil penalty of up to \$100 for each day of violation. Requires civil penalties collected by SOS go to Office of Small Business Assistance for expenses incurred from providing support to small businesses that veterans own and operate. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Consumer protection
- Consumer recourse when business operates without registered business name
- Enforcement by Secretary of State

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

“Assumed business name” means one or more words or numerals, or a combination of words and numerals, that a person uses to identify a business that the person carries on, conducts, or transacts, if at the time and place that the person carries on, conducts or transacts the business, the person does not conspicuously disclose the real and true name of each person that is carrying on, conducting or transacting the business.

An assumed business name registration is required any time you are conducting business under a name other than true and legal name of each person conducting the business. A person must register, and renew, an assumed business name with the Office of the Secretary of State.