

SB 430 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

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Meeting Dates: 1/23

WHAT THE MEASURE DOES:

The measure requires a retail seller that offers and sells goods or services online to a resident of this state to display a written summary of the transaction prior to concluding the online sale. The measure specifies what the written summary must include, such as the total amount due for the transaction, and any handling or service charges that apply to the transaction. The measure also requires the written summary display permit a retail buyer to review the entire transaction and either approve the transaction as displayed or make changes to the transaction. The measure specifies process for retail seller that offers and sells goods or services online to a resident of this state to conclude transaction with retail buyer when the retail seller does not finance or enter into a retail charge agreement or retail installment contract with the retail buyer. The measure specifies process for retail seller that offers and sells goods or services online to a resident of this state to conclude transaction with retail buyer when the retail seller enters into a retail charge agreement, retail installment contract, or otherwise extends credit for the purpose of completing the online transaction. Applies to transactions that conclude on or after effective date. Takes effect on the 91st day following adjournment sine die.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Federal Trade Commission (FTC) was created on September 26, 1914. It is a government agency that is intended to protect the public from deceptive or unfair business practices, and from unfair methods of competition. Recently, the FTC issued a final rule on unfair or deceptive fees that will be effective on May 12, 2025. The final rule, 16 CFR Part 464, specifies that it is an unfair and deceptive practice for businesses to offer, display, or advertise any price of live-event tickets or short-term lodging without clearly, conspicuously and prominently disclosing the total price. The rule defines "total price" to include the maximum total of all fees or charges a consumer must pay for any goods or services and any mandatory ancillary good or service, except that government charges, shipping charges, and fees or charges for any optional ancillary good or service may be excluded. The final rule also requires businesses to make specified disclosures before a consumer makes a purchase. Finally, the rule makes it an unfair and deceptive practice for businesses to misrepresent any fee or charge in any offer, display, or advertisement for live-event tickets or short-term lodging.

Senate Bill 430 requires a retail seller that offers and sells good or services online to a resident of this state to display a written summary of the transaction prior to concluding the online sale.