

AMENDED IN ASSEMBLY MARCH 24, 1998

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1994**

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**Introduced by Assembly Member Bowen**

February 18, 1998

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An act to add Section 17538.9 to the Business and Professions Code, relating to advertising.

LEGISLATIVE COUNSEL'S DIGEST

AB 1994, as amended, Bowen. Advertising: telephone debit cards.

Existing law provides for the regulation of advertising in the state and prohibits certain advertising practices.

This bill would also prohibit any person from offering the sale of a telephone debit card ~~by means of an advertisement,~~ unless certain information is disclosed in both the advertisement and ~~directly~~ *on a brochure to be packaged and sold with the telephone debit card. It would also require that any rate of charges or unit cost advertised or marketed in connection with the sale of a telephone debit card include any and all applicable surcharges and fees.*

Existing law makes it a crime to violate any of the provisions regulating advertising. By adding this new prohibition with respect to the advertising of telephone debit cards, this bill would expand the scope of an existing crime, thereby creating a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated

by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 17538.9 is added to the Business  
2 and Professions Code, to read:

3 17538.9. (a) No person shall offer the sale of a  
4 telephone debit card ~~by means of an advertisement,~~  
5 unless all of the following information is disclosed in both  
6 the advertisement and ~~directly on~~ *on a brochure to be*  
7 *packaged and sold with the telephone debit card:*

- 8 ~~(a) The incremental charges in minutes or seconds.~~
- 9 ~~(b) The rate of charges per minute or second.~~
- 10 ~~(c) A customer service telephone number that can be~~  
11 ~~used to identify and redeem any value remaining on the~~  
12 ~~card after its use.~~
- 13 *(1) The number of units on the card.*
- 14 *(2) Any applicable surcharges or fees, including*  
15 *monthly fees, per-call access fees, international*  
16 *surcharges, surcharges for the first minute of use, or*  
17 *activation fees for recharging the card.*
- 18 *(3) Any applicable taxes.*
- 19 *(4) Any minimum charge per call, such as a*  
20 *three-minute minimum charge.*
- 21 *(5) Whether there is any charge for calls that do not*  
22 *connect.*
- 23 *(6) The increment used for charging one unit, such as*  
24 *a 6-second, 10-second, or one-minute increment.*
- 25 *(7) The name of the card issuer.*
- 26 *(8) Whether the card is rechargeable or refundable.*
- 27 *(9) If the card is not rechargeable, whether remaining*  
28 *units may be redeemed or will be forfeited.*
- 29 *(10) The card expiration policy.*
- 30 *(11) A 24-hour customer service toll-free telephone*  
31 *number.*



1     *(b) Any rate of charges or unit cost advertised or*  
2     *marketed in connection with the sale of a telephone debit*  
3     *card shall include any and all applicable surcharges and*  
4     *fees.*

5     SEC. 2. No reimbursement is required by this act  
6     pursuant to Section 6 of Article XIII B of the California  
7     Constitution because the only costs that may be incurred  
8     by a local agency or school district will be incurred  
9     because this act creates a new crime or infraction,  
10    eliminates a crime or infraction, or changes the penalty  
11    for a crime or infraction, within the meaning of Section  
12    17556 of the Government Code, or changes the definition  
13    of a crime within the meaning of Section 6 of Article  
14    XIII B of the California Constitution.

15    Notwithstanding Section 17580 of the Government  
16    Code, unless otherwise specified, the provisions of this act  
17    shall become operative on the same date that the act  
18    takes effect pursuant to the California Constitution.

