

AMENDED IN ASSEMBLY AUGUST 19, 2004

AMENDED IN ASSEMBLY JUNE 24, 2004

AMENDED IN ASSEMBLY JUNE 16, 2004

AMENDED IN SENATE APRIL 12, 2004

SENATE BILL

No. 1154

Introduced by Senator Figueroa

January 27, 2004

An act to add Chapter 23.5 (commencing with Section 22730) to Division 8 of the Business and Professions Code, relating to consumer rebates.

LEGISLATIVE COUNSEL'S DIGEST

SB 1154, as amended, Figueroa. Consumer rebates.

Existing law regulates various business activities and practices.

This bill would impose certain requirements on companies and retailers that offer consumer rebates, including that a company allow a minimum of 30 days for a consumer to submit a rebate request. The bill would require a company to mail a rebate check within a specified time period. The bill would specify the information that may be required from a consumer by a company that offers a rebate. The bill would exempt from its provisions rebates offered by a gas or electric corporation or a local publicly owned electric utility through its energy efficiency program. The bill's provisions would become operative on July 1, 2005.

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

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

1 SECTION 1. Chapter 23.5 (commencing with Section
2 22730) is added to Division 8 of the Business and Professions
3 Code, to read:

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5
6

CHAPTER 23.5. CONSUMER REBATES

7 22730. As used in this chapter, “consumer rebate” shall
8 mean *an offer to provide cash, credit, or credit towards future*
9 *purchases, that is offered to consumers who acquire or purchase*
10 ~~*products or services a specified product or service and that is*~~
11 ~~*contingent upon the purchase or acquisition.*~~ “Consumer rebate”
12 *is conditioned upon the customer submitting a request for*
13 *redemption after satisfying the terms and conditions of the offer.*
14 *The term shall not include any discount from the purchase price*
15 *that is taken at the time of purchase, any discount, cash, credit, or*
16 *credit towards a future purchase that is automatically provided to*
17 *a consumer without the need to submit a request for redemption,*
18 *or any refund that may be given to a consumer in accordance with*
19 *a company’s return, guarantee, adjustment, or warranty policies,*
20 *or any company’s frequent shopper customer reward program.*

21 22731. As used in this chapter, “company” shall mean the
22 *company or entity that is funding the consumer rebate.*

23 22732. (a) A company shall not require a consumer to
24 provide more than the following as proof of purchase for purposes
25 of redeeming a consumer rebate:

- 26 (1) A receipt for the purchase of the product or services.
- 27 (2) A universal product code, *packing slip*, or packaging
- 28 element that is clearly and conspicuously marked as the necessary
- 29 proof of purchase for the rebate offer.
- 30 (3) The name of the consumer.
- 31 (4) The address of the consumer.
- 32 (5) The consumer’s telephone number.
- 33 (6) The consumer’s membership number, if applicable.
- 34 (7) The consumer’s signature.
- 35 (8) *In the event that the eligibility for the consumer rebate is*
- 36 *triggered by an electronic transaction, a valid proof of the*
- 37 *electronic transaction.*



1 (b) For purposes of paragraph (1) of subdivision (a), a copy of
2 the receipt shall be sufficient unless the consumer is provided with
3 a duplicate original receipt for each product associated with a
4 rebate, in which case the duplicate original may be required.

5 ~~22732.~~

6 (c) *If the consumer rebate offer is contingent upon ownership*
7 *of another product or service, a company may, in addition to the*
8 *information permitted to be requested under subdivision (a),*
9 *request reasonable proof of ownership of such other product or*
10 *service.*

11 (d) *Notwithstanding subdivision (a), a company has the right*
12 *to reject a consumer rebate claim or to request reasonable*
13 *additional documentation to verify a claim if it has reason to*
14 *believe that the individual consumer submitting the rebate request*
15 *is attempting to commit fraud, has already received the offered*
16 *rebate, or that the proof of purchase is not from a legitimate*
17 *company product or service.*

18 22733. (a) Except as provided in subdivision (b), a *consumer*
19 rebate offer shall conspicuously disclose a telephone number on
20 the rebate form that a consumer may call to check the status of his
21 or her rebate request.

22 (b) For purchases of a company's product that occur over a Web
23 site operated or maintained by that company, a Web site or other
24 electronic means may be provided instead of the telephone number
25 to check the status of his or her *consumer* rebate.

26 ~~22733.~~

27 22734. A company may require the consumer to write the
28 model number or other identifying number on the *consumer* rebate
29 form only if the receipt does not reveal the product name, type,
30 model, or other identifying number.

31 ~~22734.~~

32 22735. A company that offers a *consumer* rebate shall allow
33 a minimum of 30 days from the date the consumer purchases the
34 product, or becomes eligible for the rebate pursuant to subdivision
35 (b) of Section ~~22735~~ 22736, for the consumer to submit the rebate
36 request.

37 ~~22735.~~

38 22736. A company shall mail the rebate check or transmit the
39 rebate funds to the consumer or fulfill the terms of the rebate offer
40 within the same number of days provided to the consumer to



1 submit the rebate request pursuant to Section ~~22734~~ 22735, but in
2 no event later than 60 days from either of the following events as
3 applicable:

4 (a) Upon receipt of a *consumer* rebate request meeting the
5 terms and conditions of the rebate offer, to the extent permitted by
6 this chapter and as disclosed at the time of purchase.

7 (b) If the *consumer* rebate offer is conditioned upon a consumer
8 staying with a service ~~contract~~ for a minimum length of time, then
9 upon completion of this term of the rebate offer and receipt of a
10 rebate request meeting the terms and conditions for the rebate to
11 the extent permitted by this chapter and as disclosed at the time of
12 purchase.

13 ~~22736.~~

14 22737. (a) A company offering a *consumer* rebate shall not
15 require personal information other than the consumer's name,
16 address, telephone number, membership number if applicable, and
17 signature.

18 (b) A company may require, instead of a telephone number, a
19 consumer's e-mail address with respect to products purchased
20 over the Internet, Internet-based services, or Internet rebate
21 redemptions.

22 ~~22737.~~

23 22738. (a) A company offering a *consumer* rebate shall
24 provide the rebate redemption form directly with the product, or
25 at the same location and at the same time that the consumer
26 purchases the product.

27 ~~If a retailer sells a product on which a company offers a~~
28 ~~rebate, the company shall supply~~ A company that does not provide
29 ~~rebate forms directly with its product may comply with this section~~
30 ~~by supplying~~ the retailer with either of the following:

31 (1) A sufficient quantity of rebate redemption forms based on
32 reasonably anticipated sales.

33 (2) The means to create a rebate redemption form at the time
34 and place of sale.

35 (c) For purposes of Internet sales, a generally accessible
36 company Web page, including a rebate form thereon, shall comply
37 with this section. For purposes of telephone sales, directing
38 consumers to a generally accessible company Web page, including
39 the rebate form, and, upon request, sending the rebate form via the



1 consumer's choice of regular or electronic mail or telecopy shall
2 comply with this section.

3 ~~22738.~~

4 22739. The provisions of this chapter do not apply to either of
5 the following:

6 (a) Rebates and rebate programs that are offered by gas or
7 electric corporations through their energy ~~efficiency~~ programs
8 under the jurisdiction of the Public Utilities Commission.

9 (b) Rebates and rebate programs that are offered by local
10 publicly owned electric utilities, as defined in Section 9604 of the
11 Public Utilities Code, through their energy ~~efficiency~~ programs
12 funded pursuant to Section 385 of the Public Utilities Code.

13 ~~22739.~~

14 22740. This chapter shall become operative on July 1, 2005.
15 Nothing in this chapter shall impose on any manufacturer any
16 obligation to recall any product or service offering consumer
17 rebates ~~shipped~~ *made available* to retail sales outlets or consumers
18 prior to the operative date of this chapter. Any rebate offer in effect
19 prior to operative date of this chapter shall be deemed to be in
20 compliance with this chapter.

