

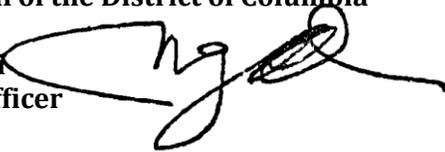
Government of the District of Columbia  
Office of the Chief Financial Officer



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Philip H. Mendelson  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi   
Chief Financial Officer

**DATE:** November 20, 2012

**SUBJECT:** Fiscal Impact Statement – “Consumer Protection Amendment Act of 2011”

**REFERENCE:** Bill 19-581 – Draft Committee Print as Shared with the Office of Revenue Analysis on November 7, 2012

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**Conclusion**

Funds are sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the bill.

**Background**

The bill expands current consumer protection laws by broadening definitions, adding specific rights for non-profits, and creating a unit pricing requirement at retail establishments for most consumer commodities.

The definition of consumer<sup>1</sup> is expanded by the bill to include persons who buy items for commercial purposes, not just family or household use. The bill also broadens the types of business practices considered unlawful,<sup>2</sup> including:

- 1) Transactions in which ambiguity, innuendo or falsehood are purposefully utilized to obfuscate facts;
- 2) Leases or property sales that imply conferring rights that are prohibited by law;
- 3) Practices that are unethical, unfair, harm competition, or offend established public policy.

The bill creates a right of action for non-profit organizations to bring suit under the District’s consumer protection statutes<sup>3</sup> on their own behalf, or if their public interest activities have been impaired. It also establishes jurisdiction for these claims and remedies for damages.

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<sup>1</sup> As defined in D.C. Official Code § 28-3901(a)(2).

<sup>2</sup> D.C. Official Code § 28-3904 describes unlawful business practices.

The Honorable Philip H. Mendelson

FIS: Bill 19-581, "Consumer Protection Amendment Act of 2011" Draft committee print shared with the Office of Revenue Analysis on November 7, 2012

Title II of the bill is called the Unit Pricing Protection Act of 2011. This section requires retailers to clearly and consistently present unit pricing<sup>4</sup> information for most household products<sup>5</sup> in a manner related to the contents of the commodity. For example, a product sold by the pound must have the cost per pound displayed by a retailer next to<sup>6</sup> the total cost of the product.

### **Financial Plan Impact**

Funds are sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the bill. The bill does not require District agencies to expand the scope of their current enforcement roles. It merely adds to the list of consumer protection violations that may be prosecuted at the discretion of the Office of the Attorney General.

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<sup>3</sup> D.C. Official Code Title 28, Subtitle II, Chapter 39.

<sup>4</sup> Unit price is the retail price expressed as dollars and cents per unit of measure. Examples of unit measure include weight, size, or number of units in a package.

<sup>5</sup> Exemptions are permitted for: items less than an ounce, items costing less than 50 cents, items with only one size offered for sale, and variety or combination packages in which multiple (dissimilar) products are grouped. Other exemptions are made depending on the type of retail establishment.

<sup>6</sup> A retailer may choose to tag each product or shelf, or display a summary sign with unit pricing information for one or more sizes or brands of a commodity.