

BILL ANALYSIS

Senate Research Center
76R8423 CLG-D

C.S.S.B. 169
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Economic Development
4/22/1999
Committee Report (Substituted)

DIGEST

Currently, some businesses, with the assistance of a telemarketing firm, advertise as a "local" business, although the business may be located out of town. The business omits a physical address, assumes a local name, and uses a locally dialed phone number. When a consumer dials the local phone number, the call is forwarded by the telemarketing firm to an out-of-town or out-of-state order gathering location. If a consumer calls directory assistance, he or she receives the same phone information that forwards the call to an out-of-town location. The consumer is led, in effect, to believe the purchase is from a local community business, when in fact the businesses may not be located within the same area code. C.S.S.B. 169 would prohibit misrepresentation of a business location in a telephone directory or database.

PURPOSE

As proposed, C.S.S.B. 169 prohibits misrepresentation of a business location in a telephone directory or database.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 17E, Business & Commerce Code, by adding Section 17.462, as follows:

Sec. 17.462. LISTING OF BUSINESS LOCATION IN DIRECTORY OR DATABASE. Prohibits certain persons from misrepresenting the geographical location of a business that derive more than 50 percent of their gross income from flower sales in a telephone directory or other directory database. Provides that a person is considered to misrepresent the geographical location of a business if the name of the business indicates it is located in a geographical area, and the business resides out of the geographical area, the municipality and state are not identified, and telephone calls are routinely forwarded to outside the calling area. Authorizes a person to place a directory listing for a business, the name of which indicates it is located in an area different from the area in which it is located, if a conspicuous notice states the city and state in which the business is located. Provides that this section does not apply to a publisher or provider of a telephone directory. Provides that a violation of this section is a false, misleading, or deceptive act or practice under this subchapter, and is subject to any public or private right or remedy prescribed by this subchapter.

SECTION 2. Effective date: September 1, 1999.
Makes application of this Act prospective.

SECTION 3. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends proposed Section 17.462, Business & Commerce Code, to add text regarding the percent of income from flower sales to the prohibition that a person may not misrepresent the geographical location of a business, and to add a provision referencing Subsection (a) in an authorization to place certain listings.