

Secretary of State
NOTICE OF PROPOSED RULEMAKING HEARING*
A Statement of Need and Fiscal Impact accompanies this form.

Department of Justice/Civil Enforcement Division
Agency and Division

OAR137
Administrative Rules Chapter Number

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RULE CAPTION

Misleading Use of "Free" Offers and Rebates

June 25, 2007 **3:00 p.m. (Pacific)** **Commerce Building, 158 12th Street NE, Salem OR** **Hardy Myers**
Hearing Date Time Location Hearings Officer

Auxiliary aids for persons with disabilities are available upon advance request.

RULEMAKING ACTION

ADOPT: Not Applicable.

AMEND: OAR 137-020-0015

REPEAL: Not Applicable.

RENUMBER: Not Applicable.

AMEND & RENUMBER: Not Applicable.

ORS 646.608(4)
Stat. Auth.

Not applicable
Other Authority

ORS 646.608(1)(u)
Stats. Implemented

RULE SUMMARY

The amendments clarify and extend the scope of prohibitions against offers for the sale or lease of goods and services which are accompanied by representations that the purchaser or lessee will receive, in addition, a "free" good or service. The revised rule would apply to transactions wherein the goods or services could be purchased for less money without the purportedly "free" good or service, to transactions in which the selling price has been increased in comparison to a newly-defined standard ("the regular price"), and to certain transactions involving home solicitation sales as that phrase is defined in ORS 83.710(1). Further, the amendments require clear and conspicuous disclosure of the terms of "free" offers. The amendments create a new exemption from the rule for certain "free" offers by manufacturers or other parties other than the seller.

The amendments add new prohibitions against the unfair and deceptive use of "rebate" offers. Failure to clearly and conspicuously disclose limitations on rebates and making any misleading or deceptive offer in conjunction with the purchase or lease of real estate, goods or services will be unlawful under the amendments.

DOJ invites public comment.

Peter D. Shepherd 4/13/07
Peter D. Shepherd, Deputy Attorney General, Oregon Department of Justice Date

Last Day for Public Comment: June 18, 2007

*The *Oregon Bulletin* is published on the 1st of each month and updates the rule text found in the Oregon Administrative Rules Compilation. Notice forms must be submitted to the Administrative Rules Unit, Oregon State Archives, 800 Summer Street NE, Salem, Oregon 97310 by 5:00 pm on the 15th day of the preceding month unless this deadline falls on a Saturday, Sunday or legal holiday when Notice forms are accepted until 5:00pm on the preceding workday. ARC 920-2005