## HOUSE <br> No. 4089

# $\mathbb{T h e} \mathbb{C o m m o n m e a l t h ~ o f ~} \mathfrak{f l a s s a c h u s e t t s}$ 

## In the Year Two Thousand Twelve

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An Act relative to clear and conspicuous price disclosure.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Chapter 94 of the General Laws is hereby amended by striking out sections 184B to 184E, inclusive, as appearing in the 2010 Official Edition, and inserting in place thereof the following 4 sections:-

Section 184B. As used in sections 184B to 184E, inclusive, the following words shall, unless the context clearly requires otherwise, have the following meanings:
"Advertised price", the price of an item published or disclosed in any circular, newspaper, magazine, television or radio commercial, or in any other medium, or any published correction thereof.
"Automated checkout system", a cash register, computer terminal, or other device capable of determining the price of an item from the item's code after searching the electronic price database and printing an itemized sales receipt for a consumer.
"Card price", the price a loyalty card holder will be charged if different from the non-card price.
"Checkout price", the price of an item to be charged to the consumer whether purchased or not as listed on an automated checkout system display or on an itemized sales receipt.
"Code", an identifier of an item including, without limitation, symbols, letters, numbers, bars or combinations thereof.
"Consumer price scanner", an electronic scanner provided for consumer use that is capable of reading an item's code and displaying a description of the item and its correct price after searching the electronic price database.
"Correct price", the advertised price in any circular, newspaper, magazine, television or radio commercial, or in any other medium, or any published correction thereof. If an item is not advertised, the correct price shall be the lowest display price indicated on any store sign for the item, but not if the checkout price is lower. If an item has no display price, the correct price shall be the price of the item on its unit price label, but not if such item is rung up at a lower price. If no unit price label is displayed, the correct price shall be the price rung up by the food store's or a food department's automated checkout system. If the foregoing provisions for establishing the correct price are not determinative in a particular situation, the correct price shall be the price on the seller's current price list.
"Director or deputy director", the deputy director of the division of standards established pursuant to section 5 of chapter 24A, or the director's designee including, an inspector, a sealer or a deputy as defined in section 1 of chapter 98 .
"Discount", a percentage off or special price reflected in the checkout price and indicated on the itemized sales receipt.
"Display price", the price on a sign or label affixed to a display, table, shelf or other upon which the unit is placed.
"Division", the division of standards established pursuant to section 5 of chapter 24A.
"Dual pricing system", a separate pricing system that allows for 1 correct price for nonloyalty cardholders and 1 correct price for loyalty card holders.
"Food", anything edible.
"Food department", any seller, other than a warehouse club or a food store, with any grocery item section, area, or display and which sells 100 or more different food items for consumption off the seller's premises at least in part to individuals for their own personal, family, or household use; provided, however, that any food section which is within a larger business and is the functional equivalent of a food store with its own separate checkout, may be deemed a food store by the director of standards.
"Food store", any store, shop, supermarket, grocer, convenience store, or other seller, whose primary business is selling either food for consumption off the seller's premises alone or in combination with grocery items or other nondurable items typically found in a supermarket, and such items are sold at least in part to individuals for their own personal, family, or household use. A food store shall not include a warehouse club.
"Grocery item", any food, pet food or supply, soap, household cleaner of any type, laundry product, light bulbs, or disposable paper or plastic products.
"Individual item", one of an item, to be used interchangeably with "unit."
"Item", a specific and distinct product, good or commodity available for sale having a different universal product code or SKU for other items so coded, and for items not so coded, an item having any distinguishing characteristics compared to another item.
"Itemized sales receipt", a printed and dated sales receipt listing, at a minimum, the price charged to the consumer for each item and the quantity sold.
"Loyalty card," a card or other device issued that confers certain benefits to cardholders, including discount prices upon presentation of the card. A loyalty card shall not include membership cards issued by warehouse retailers.
"Price list", an easily referenced list that indicates the code, the description and the current correct price of each item excluded under subsection (c) of section 184C.
"Scanner price", the price of an item as displayed on a consumer price scanner.
"Seasonal employment", services performed for wages for a seasonal employer during the seasonal period in the employer's seasonal operations, after the effective date of a seasonal determination with respect to the seasonal employer.
"SKU", the stock-keeping unit, number or code used to identify each unique product or item for sale in a food store or food department.
"Sticker price", the price on a sticker, ticket, tag or other label affixed to an individual item.
"Warehouse club", a retail store in which customers pay annual membership fees in order to purchase items at member-only prices.

Section 184C. (a) The correct price of an item offered for sale by a food store or a food department shall be disclosed to consumers in a clear and conspicuous manner. A food store or food department may elect to disclose the correct price using either an individual item pricing system or a consumer price scanner system; provided, that the food store or food department has been granted permission by the division to use a consumer price scanner system. All prices represented to the consumer for the same item shall be consistent with each other and the correct price.
(b) A food store or food department that implements an individual item pricing system shall affix the correct price on each unit in a clear and conspicuous manner by means of a sticker price; provided, that said food store or a food department attaches a correct display price not less than 1 inch high for each separate SKU or separately-coded item. In the case of a food store or a food department that utilizes loyalty cards or otherwise maintains a dual pricing system, the noncard price shall be affixed to the item if it differs from the loyalty card price, provided that a sign at the point of display shall include both the loyalty card price and the non-card price, so labeled if they differ, as well as either the amount of savings per unit or the per cent of savings.
(c) A food store or food department that implements a consumer price scanner system shall have the code of an item affixed to each individual unit by means of a sticker, ticket, tag or other label that can be read by a consumer price scanner and automated checkout system to display the correct price. The item's code, its unabbreviated description and its correct price shall be disclosed in a clear and conspicuous manner by a correct display price not less than 1 inch high. In the case of a food store or a food department that uses loyalty cards or otherwise maintains a dual pricing system, the sign at the point of display shall include both the loyalty
card price and non-card price, so labeled if they differ, as well as either the amount of savings per unit or the percent of savings.
(d) Upon a determination by the division that: (i) a clear and conspicuous sign disclosing the item's code, its description and its correct price is posted where these items are displayed; (ii) the cashier can readily discern the item's correct price, (iii) the food store or food department maintains an itemized list for all exempted items, and (iv) the list is available at each checkout and can be reviewed by a customer upon request, a food store or a food department may exempt the following classes of items from its individual item pricing system : (1) unpackaged: produce, meat, fish, poultry, delicatessen, bakery items, and any other items that are unpackaged and offered from a bulk display; provided, however, that any such item weighed or wrapped to order by a food store or a food department but paid for at a place other than at the point of such weighing or wrapping shall have the correct price marked on the item; (2) gallons and half gallons of milk; (3) eggs; (4) cigarettes, cigars, tobacco and tobacco products; (5) individual items within a multi-item package, if the package is marked with the correct price; (6) cakes, gum, candy, chips, nuts and other snack foods, if offered for sale individually, and located at the checkout area; (7) individual greeting cards, if marked with a price code readily understandable by the consumer; (8) individual containers of baby food of the same brand and price where vegetable or fruit is the predominant ingredient other than water, but not including juices; (9) soft drink bottles and cans; (10) frozen food products; (11) items sold by length, area, weight or volume, including, without limitation, chain, rope, flooring, lumber, fabric, stone or soil, that are unpackaged; (12) items that must be retrieved for the consumer by store staff, including without limitation large electronics or appliances, display or representative items or items displayed in a locked case or out of reach of consumers; (13) packaged self-service items that are small in size
and are offered for sale located at the checkout area; (14) live animals; (15) items sold in a coin operated vending machine; and (16) not more than 60 additional items that are accessible to the consumer in a free standing or end-aisle display that has at least 50 units of the same item; provided, however, that unless the deputy director determines otherwise, individual items that differ only by color, flavor or scent shall be counted as the same item for the purpose of this clause if they are identical in all other aspects, including price, size and brand.
(e) Food stores or food departments utilizing an individual item pricing system shall be allowed to exempt additional items, the exact number of which shall be based on the number of operable cash registers located at the main checkout location. Food stores or food departments with 1 operable cash register shall be allowed to exempt 20 additional items of their own choosing. Food stores or food departments with 2,3 to 4 , or 5 to 6 operable cash registers shall be allowed to exempt 50, 100 or 200 additional items respectively. Food stores or food departments with 7 or more operable cash registers may exempt up to 400 additional items. In the case of a food department, the number obtained in the above calculation shall be reduced by 75 per cent. In no case shall the number of exemptions permitted by this exception exceed 4.5 per cent of the number of packaged grocery items carried by the seller.

All additional exemptions allowed under this subsection shall be granted provided that the food store or food department maintains an automated checkout system which has been determined to be at least 95 per cent accurate during a price accuracy inspection conducted by the division or their designee and maintains a dated, written price list of the items it has chosen to exempt. The price list shall include a readily understandable description of each item and the code number understood by the seller's automated checkout system. Deletions may be made from the list at any time, but no additions, substitutions, or changes may be made to the list
except twice a year in January and July. The exemption permitted by this section shall not apply to any item not on that price list and shall not apply unless such price list has been established and is available upon request at the food store or food department to any consumer or any representative authorized by the deputy director. The list shall be maintained so that any item may be referenced easily by a consumer. No seller may choose to exempt items required to be price marked by other laws or regulations governing specific types of items nor may a seller exempt more than 200 items in any 1 department except in the grocery department.
(f) A food store or a food department utilizing a consumer price scanner system may exempt the following items from displaying the correct price at its consumer price scanners, provided it complies with clauses (i) to (iv), inclusive, in subsection (d): (1) unpackaged and uncoded items to which a price sticker cannot be reasonably affixed; and (2) loose produce with SKU numbers.
(g) Items purchased at a food store or a food department shall appear on an itemized sales receipt that shall be provided to all consumers.
(h) If the consumer purchases a sale item or qualifies for a discount, including discounts granted for presenting a loyalty card, the amount saved shall be reflected in the checkout price and printed on the consumer's itemized sales receipt.
(i) Notwithstanding subsection (g) of section 184D, if there is a discrepancy between the advertised price, the sticker price, the scanner price or the display price and the checkout price on any grocery item, a food store or a food department shall charge a consumer the lowest price. If the checkout price or scanner price is not the lowest price or does not reflect any qualifying discount, the seller: (i) shall not charge the consumer for 1 unit of the grocery item, if the lowest
price is $\$ 10$ or less; (ii) shall charge the consumer the lowest price less $\$ 10$ for 1 unit of the grocery item, if the lowest price is more than $\$ 10$; and (iii) shall charge the consumer the lowest price for any additional units of the grocery item. This subsection shall not apply if (1) there is evidence of willful tampering or (2) the discrepancy is a gross error, in that the lowest price is less than half of the checkout price and the seller, in the previous 30 days, did not intend to sell the grocery item at the lowest price. The provisions of this subsection shall be clearly and conspicuously posted by all food stores or food departments which use a consumer price scanner system at each register. For each register that fails to display appropriate signage, the food store or food department shall be subject to a fine of $\$ 200$, up to a maximum of $\$ 500$ per inspection by the deputy director. All food stores or food departments shall maintain data on price discrepancies. This data shall be provided to the division upon request.
(k) The deputy director may require sellers to disclose a consumer's rights under sections 184C to 184E, inclusive, by a writing provided by the division.
(l) The division shall promulgate regulations for the administration and enforcement of sections 184B to 184E, inclusive. Failure to comply with any of the provisions of sections 184B to 184 E , inclusive, may constitute a violation under chapter 93A.

Section 184D. (a) The deputy director or the deputy director's inspectors, and sealers of weights and measures and their deputies, as defined in section 1 of chapter 98 , shall inspect each food store or food department for compliance with sections 184B to 184E, inclusive. The inspections shall be conducted pursuant to the national industry standards adopted by the National Conference on Weights and Measures of the National Institute of Standards and Technology or any other rules or guidelines promulgated by the division pertaining to the
implementation and enforcement of sections 184B to 184E, inclusive. Nothing shall inhibit the oversampling of sale items during inspections. A food store or food department shall provide the inspector with access necessary to conduct an inspection. The deputy director shall notify the food store or food department in writing of violations of this section and of any fines imposed pursuant to sections 184 B to 184 E , inclusive.
(b) Violations of the provisions of sections 184B to 184 E , inclusive, for which fines shall be levied shall include, but not be limited to: (1) having no price marked on a unit that is required to be priced and is not exempted; (2) having an incorrect price on a unit; (3) having an incorrect or missing sign; or (4) overcharging on a unit. A unit shall be deemed to be overcharged once it is rung up at a price higher than any represented price. Notwithstanding the method for determining the amount of civil fines pursuant to section 29A of chapter 98, a civil citation may be issued for $\$ 200$ for each violation, up to a maximum of $\$ 5,000$ per inspection. If an item is advertised either in a food store, food department or in a circular as "on sale" or discounted because of a loyalty card price and the item registers at a higher price at the checkout counter than indicated by a "sale" or loyalty card price, a civil citation will be issued for $\$ 300$ for each violation, up to a maximum of $\$ 5,000$ per inspection. The deputy director shall not issue a fine pursuant to sections 184B to 184E, inclusive, and section 56D of chapter 98 for the same violation.
(c) A fine imposed by the deputy director shall be paid within 21 days of issuance of the notice, unless the seller appeals pursuant to the civil citation appeal process found in section 29A of chapter 98. The food store or food department shall immediately correct any noncompliance with sections 184B to 184E, inclusive, when notified by the inspector.
(d) The deputy director or any representative authorized by the division may conduct inspections of any item and shall issue notices of violation to any food store or food department for any violation of this section and sections 184B through 184E, inclusive, provided, however, that no food store or food department shall be inspected more than once a month, unless such inspection is intended to verify the correction of violations found during a recent inspection or to verify the validity of a specific consumer complaint made through the process in subsection (e). For purposes of this section each occasion that an item scans erroneously during an inspector's attempt to verify its correct price shall constitute a separate civil violation. The seller shall immediately correct all violations.
(e) A consumer may submit a complaint to the office of the attorney general or to the deputy director regarding noncompliance with sections 184B to 184E, inclusive. All food stores or food departments subject to sections 184B to 184 E , inclusive, shall provide, upon request, a complaint form for the consumer to complete and submit. Each submitted complaint shall be investigated. In the case of any verified consumer complaint, fines for overcharging shall be limited to 1 violation per item. A fine shall be issued upon verification of any consumer complaint alleging overcharging or improper price marking.
(f) If the deputy director determines that a food store or a food department is either intentionally or through gross negligence violating any provisions of this section and sections 184B to 184E, inclusive, the deputy director shall provide written notice of such determination to the food store or food department and said food store or food department shall have 30 days to cure these violations. If upon re-inspection, the deputy director determines that the food store or food department still is not in substantial compliance with the provisions of this section and sections 184B to 184 E , inclusive, all of the food store's or food department's exemptions shall
be rescinded for a period of 12 months and the matter shall be referred to the attorney general for action against such food store or food department.
(g) Sections 184B through 184E, inclusive, shall only apply to food stores and to grocery items in food departments. Said sections shall not diminish any obligations under other laws or regulations regarding item pricing for sellers other than food stores or for items other than grocery items in food departments. Where a seller is also subject to the item pricing regulations or guidelines of another agency, in cases where a specified number of items is allowed to be exempted under 2 similar exceptions to the requirement of item pricing, such similar provisions shall not be additive. Compliance with another agency's regulations or guidelines which differ from said sections or any regulations issued hereunder by the deputy director shall not be a defense to a violation of said section or any regulations promulgated hereunder.
(h) The division may retain all registration fees and fines it collects under sections 184B through 184E, inclusive, sections 56D and 56E of chapter 98 not to exceed $\$ 2.5$ million annually in order to support its enforcement activities; provided, however, that any excess fees and fines up to $\$ 1$ million in excess of this figure shall be used to fund the division of standards municipal grant program for approved agents to assist the division in lieu of a legislative appropriation. In the event that the division and the municipal grant program are fully funded, all additional revenue shall be turned over to the General Fund.

Section 184E. (a) A food store or food department seeking to convert from an individual item pricing system to a consumer price scanner system shall seek a waiver from the division. The waiver shall be granted by the division provided that the food store or food department has no outstanding fines under sections 184B to 184D, inclusive, or section 56D of chapter 98 and
pays a $\$ 250$ fee annually to the division if the retail space is less than 15,000 square feet, $\$ 500$ fee if the retail space is 15,000 square feet up to 30,000 square feet, or a $\$ 1,000$ fee if the retail space is 30,000 square feet or more.
(b) Pursuant to the regulations promulgated under this chapter, the division shall require each applicant to complete a "no job loss" affidavit which shall include, but not limited to, the number of people employed at the time of the application process and the establishment of a complaint process, so that full and part time employees will not suffer any wage or benefit loss due to said transfer. After the filing of the affidavit, if there is any resulting job loss at the store due to the implementation of the waiver, as determined by the division, not attributed to seasonal employment or verifiable economic pressures, the store shall be required to use an individual item pricing system for 1 year pursuant to sections 184 B to 184 E , inclusive, or other applicable Massachusetts law or regulation promulgated hereunder, and be subject to a fine of not more than $\$ 5,000$.
(c) A food store or food department using a consumer price scanner system shall be subject to inspection by the deputy director for compliance with this section. The deputy director shall not cause any food store or food department using a consumer price scanner system to be inspected more than once per calendar month. If, within the previous 30 days, there is a verified pattern of consumer complaints or, upon regular inspection, the food store or food department is not in compliance with this section, the division may inspect a food store or food department using a consumer scanner pricing system once every week until the food store or food department is found to be in compliance with this section.
(d) Each food store or food department with more than 5,000 square feet of retail space that employs a consumer price scanner system shall have at least 1 fully operational consumer price scanner for every 5,000 square feet of retail space or part thereof. The location of a consumer price scanner shall be disclosed via 1 clear and conspicuous sign at eye-level and 1 clear and conspicuous sign above eye level. Consumer price scanners shall be equally spaced throughout the store in fixed locations. A food store or food department with more than 5,000 square feet shall have at least 1 fully operational consumer price scanner capable of producing an individual item pricing tag. At all such scanner locations, the food store or food department shall provide the consumer with a means by which such pricing tag may be affixed or appended to the item or its packaging, such as tape or an adhesive price tag. The deputy director may, by regulation, authorize new technologies in lieu of required consumer price scanners which further the intent of this section, including, but not limited to, hand held or shopping cart attached scanners which retain in memory and itemize all scanned items. Such technologies may reduce the required number of consumer scanners by no more than 50 per cent.
(e) Consumer price scanners shall be deemed fully operational if: (1) the consumer price scanner clearly and conspicuously identifies and displays the item by name or other distinguishing characteristics; and (2) the consumer price scanner displays the item's correct price when the item is scanned and, in the case of a food store or food department that uses loyalty cards or otherwise maintains a dual pricing system, the consumer price scanner displays both the loyalty card price and the non-card price if they differ. A sign containing contact information for the divisionshall be posted by each consumer price scanner so that consumers may report broken consumer price scanners. Such consumer price scanners shall be in compliance with the Americans with Disabilities Act Accessibility Guidelines, 28 CFR Part 36,

Appendix A and the Massachusetts architectural access board regulations 521 CMR 1.00, et. seq. Any violation of this subsection shall be considered in determining a consumer price scanner's pass or fail designation as defined in subsection (i).
(f) Any food store or food department with more than 5,000 square feet of total space converting from an individual item pricing system to a consumer price scanner pricing system shall within 3 months of such conversion hire or maintain not less than 2 employees whose responsibilities shall include the maintenance of all consumer price scanners within said food store or food department.
(g) An inspector may elect to test a food store or food department's consumer price scanner system for accuracy. The inspector may choose the sample size for accuracy tests provided that the size of sample is no less than 50 items and not more than 200 items. Any scanning that yields an incorrect price that causes a food store or food department's consumer price scanner accuracy rating to fall below 98 per cent shall constitute a separate violation. This subsection shall not be used to impact a scanner's pass or fail grade as defined in subsection (i) but the cumulative violations of this subsection in any particular store or department shall be used in contributing toward the maximum fine imposed under the same subsection.
(h) Upon inspection, the deputy director shall notify the store manager, who shall provide the inspector with a map of the food store or food department outlining the consumer price scanner locations and the food store or food department's square footage of retail space. The food store or food department's number of scanners shall be sufficient for the food store or food department's size under subsection (d). Any violation of this subsection shall result in a fine of $\$ 1,000$, which shall not count toward the maximum fine established under subsection (i);
provided, however, that the deputy director may reduce this fine consistent with section 29A of chapter 98.
(i) Each consumer price scanner shall be graded on a pass or fail basis by inspectors. A failing consumer price scanner shall include, but not be limited to, missing consumer price scanners or inadequate signage under subsection (d). Each scanner found to have failed the test shall constitute a separate violation of this section. Notwithstanding the method for determining the amount of civil fines pursuant to section 29A of said chapter 98, a civil fine may be issued for $\$ 200$ for each violation, up to a maximum of $\$ 2,500$ per inspection; provided, however, that the deputy director may reduce any fine imposed pursuant to this section consistent with section 29A of chapter 98.

SECTION 2. Chapter 98 of the General Laws is hereby amended by striking out section 56D, as so appearing, and inserting in place thereof the following section:-

Section 56D. (a) The director or the director's inspectors, and sealers and inspectors of weights and measures and their deputies, shall in every 24 month period, examine and test the operation of all automated retail checkout systems, in all establishments with 3 or more cash registers, and shall upon complaint to said officials examine and test the operation of any automated retail checkout system to determine whether the price which an item is offered or advertised for sale, including any advertised special price offered to a customer with a storeissued discount or loyalty card, conforms to the unit or net prices displayed to the customer on the visual display and conforms to the price for which a purchaser is charged by such automated retail checkout system to determine whether the total price for items purchased is correctly represented, and may issue notices of violations of this section, pursuant to section 29A and this
section; provided, however, that nothing herein shall prohibit the director or his inspectors and sealers and inspectors of weights and measures and their deputies from examining and testing any system at any time irrespective of the number of cash registers within the establishment.
(b) If such examination and test reveals that there is evidence of price misrepresentation, or misleading or deception of the purchaser of items, or that consumer price scanners, as defined in section 184B of chapter 94, do not meet the operational standards set forth below, the owner, manager or the designee of said owner or manager of a retail establishment using such automated checkout system shall be punished for the first failed inspection by a civil fine of $\$ 200$, for the second failed inspection by a civil fine of $\$ 500$, and for any subsequent failed inspection, by a civil fine of $\$ 1,000$; provided, however, that there shall be no punishment for any inoperable consumer price scanner that is deployed for reasons other than to obtain an exemption from any law or regulation of the commonwealth requiring the individual price-marking of items offered for sale or for any inoperable consumer price scanner for which a retailer is able to demonstrate to the satisfaction of the inspector that he has communicated in writing with an authorized repair agent, prior to such examination and test, requesting that the inoperable electronic scanner be repaired. For purposes of this section, consumer price scanners shall be deemed fully operational if they operate in the following manner: (1) the consumer price scanner clearly and conspicuously identifies and displays the item by name or other distinguishing characteristics; and (2) the consumer price scanner displays the item's correct price when the item is scanned and, in the case of a retail establishment that uses loyalty cards or otherwise maintains a dual pricing system, the scanner displays both the loyalty card price and the non-card price if they differ. Each consumer price scanner shall display contact information for the division of standards to report broken scanners. Such consumer price scanners shall be in compliance with
the Americans with Disabilities Act Accessibility Guidelines, 28 CFR Part 36, Appendix A and the Massachusetts Architectural Access Board Regulations 521 CMR 1.00. Notwithstanding the method for determining the amount of civil fines pursuant to said section 29A, a civil citation may be issued for $\$ 200$ for each violation, up to a maximum of $\$ 2,500$ per inspection. For purposes of this section each item which scans erroneously shall constitute a separate civil violation.
(c) The director shall promulgate and shall enforce regulations based on national industry standards and other criteria necessary to carry out the provisions of this section.
(d) For the purposes of this section, an automated check out system shall mean a cash register, computer, terminal, consumer price scanner or other device capable of interpreting the universal product code, or any other code which is on an item offered for sale to consumers used to determine the price of the item being purchased, regardless of whether the code entry is accomplished manually, or automatically by a machine.

SECTION 3. The division of standards, in consultation with the secretary of labor and workforce development, shall annually file with the joint committee on community development and small business, a report consisting of the impact of consumer price scanner implementation on pricing accuracy and employee job loss or change of employment status, if any, resulting from the item pricing waiver program. This report shall also contain recommendations for legislative changes, if any, which the director of the division of standards deems necessary to affect the purposes of the program. This report shall be filed annually on or before December 31 .

SECTION 4. This act shall take effect on January 1, 2013.

