

HB 27 - Del. Griffith - Testimony.pdf

Uploaded by: Mike Griffith

Position: FAV

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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Testimony in Support of H.B. 27

Commercial Law – Consumer Protection Act – Floral Wire Services

I'm requesting a favorable report on *H.B. 27 – Commercial Law – Consumer Protection Act – Floral Wire Services*.

H.B. 27 is an important piece of legislation as it seeks to support local floral shops by requiring transparency from larger Floral Wire Services when they conduct business with customers within the state of Maryland.

As amended, H.B. 27 requires Floral Wire Services, in facilitating orders from customers, to disclose to the customer when they, the customer, are buying direct from a Floral Wire Service provider and not a local florist.

As I've personally experienced, Floral Wire Services are intentionally deceptive in this area. In many cases, customers believe they are working directly with a local florist when in reality, their order and payment are being processed through and by a Floral Wire Service.

Therefore, H.B. 27 as amended requires this information be provided to the customer when placing an order. The intent is so that customers clearly understand when they're working through a Floral Wire Service versus with a local florist on an order.

H.B. 27 is just the first step in achieving transparency and fair business practices between Floral Wire Services and local florist shops and for this reason and many others, I request a favorable report on H.B. 27.

HB 27 opposition.pdf

Uploaded by: Bernie Marczyk

Position: UNF

The Honorable Melony Griffith
Chairwoman, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

March 21, 2023

Dear Chairwoman Griffith and Members of the Finance Committee:

Thank you for the opportunity to submit comments on House Bill 27 - *Commercial Law - Consumer Protection Act - Floral Wire Services*. While we strongly support the mission of protecting small businesses, this legislation as written will instead have significant unintended consequences, create confusion for consumers and the local businesses that serve them, and adversely impact the businesses who are helping create opportunity, revenue and employment for local Maryland florists.

One of the best examples of this unintended impact involves Teleflora. In business at a national level for more than 70 years, Teleflora partners with nearly 10,000 partner florist shops throughout North America—including over 120 local Maryland florists. Teleflora's business model is entirely centered on driving floral orders to small businesses who participate in their network voluntarily and then hand deliver floral arrangements and other products to consumers across our State. Teleflora not only partners with these 120 Maryland small businesses, its model drives millions of dollars in revenue to Maryland local businesses annually.

Yet, HB 27 would require companies like Teleflora to provide notice to customers about whether their flowers come from a local florist or a floral wire service—an unnecessary requirement when that's exactly how their business successfully operates now without issue. The legislation would make Maryland the first and only state to require this disclosure and very likely cause confusion among customers as well as the local florists with whom companies like Teleflora partner successfully and through which millions of consumers are effectively served today. Other states may then feel compelled to enact similar legislation, creating an unworkable patchwork of disclosure laws across the country. Additionally, the focus of the legislation on "floral wire services" is ambiguous because it's not even clear what a "floral wire service" is, or which companies would be captured by that term. The lack of clarity and the confusion this bill would create is underscored in the Attorney General's own letter, which states "we would not be in a position to know if the practices described in the bill need to be remedied or whether this proposed remedy would benefit consumers in any way."

Lastly, the legislation is unclear as to what “disclosure” would even mean for the floral wire services and how that disclosure would need to be presented to consumers.

However well-intentioned, this legislation is unnecessary, will surely create confusion, and will have unintended consequences for Maryland consumers and Maryland businesses.

We urge an unfavorable report on House Bill 27.

Sincerely,



Craig B. Cooper
Executive Vice President & General Counsel

HB27.pdf

Uploaded by: brian quinn

Position: UNF

**1-800-FLOWERS.COM OPPOSITION STATEMENT TO HOUSE BILL 27
(COMMERCIAL LAW – CONSUMER PROTECTION ACT – FLORAL WIRE
SERVICES)**

1-800-FLOWERS.COM (“1-800-FLOWERS”) is a global e-commerce brand from which consumers order floral products to be delivered anywhere in the United States and in many other countries. 1-800-FLOWERS maintains a network of local florists throughout the country who have chosen to be part of its network. If the order is for same-day/next-day delivery, the order generally is fulfilled by a local network florist; other orders may be fulfilled by 1-800-FLOWERS itself from one of its regional floral warehouses or distribution centers. The 1-800-FLOWERS.COM website explains that same-day/next-day deliveries generally are fulfilled by local florists.

Local florists choose to participate in the 1-800-FLOWERS network because it drives business to them, both from orders placed with 1-800-FLOWERS and orders from other network florists. During the COVID-19 pandemic, 1-800-FLOWERS was a vital lifeline for local florists from the orders it generated for them, and from other financial support provided to them during that time.

House Bill 27 would require a “floral wire service” to disclose to a customer when the customer is buying from a floral wire service and not directly from a local florist.

HOUSE BILL 27 WOULD REQUIRE A MISLEADING AND CONFUSING CONSUMER DISCLOSURE. When a consumer uses 1-800-FLOWERS.COM to have flowers delivered to a loved one, the consumer is purchasing from 1-800-FLOWERS.COM, even when a local florist fulfills the order. Accordingly, under House Bill 27, 1-800-FLOWERS would need to disclose to all consumers that they are purchasing flowers from 1-800-FLOWERS and not from a local florist, even when a local florist will be fulfilling the order. The 1-800-FLOWERS.COM website informs consumers that same-day/next-day orders are fulfilled by local florists, so this disclosure will also be confusing to consumers.

THE CONSUMER DISCLOSURE REQUIRED BY HOUSE BILL 27 SERVES NO PURPOSE. It is unclear what problem House Bill 27 is attempting to solve. Obviously, a consumer who orders flowers from 1-800-FLOWERS knows that s/he is purchasing the flowers from 1-800-FLOWERS, not “directly from a local florist” as the bill would require consumers be told.

NO STATE IN THE COUNTRY HAS A LAW SIMILAR TO WHAT IS PROPOSED IN HOUSE BILL 27. House Bill 27 would require a disclosure that is not required anywhere else. House Bill 27 would impose state-specific requirements that will require special programming and other implementation costs that will increase the cost of conducting business in Maryland, business which benefits local florists. Such increased costs also could result in Maryland florists no longer fulfilling “same day/next day” orders for 1-800-FLOWERS and less choice for consumers.

HOUSE BILL 27 INAPPROPRIATELY SINGLES OUT ONE FORM OF RETAIL E-COMMERCE. There is no basis to single out e-commerce businesses like 1-800-FLOWERS to require special disclosures about the use of local business, out of the massive e-commerce retail marketplace.

HOUSE BILL 27 IS VAGUE AND CONFUSING FOR BUSINESS. Key terms in the bill are left vague and uncertain, including the meaning of “floral wire service” and the meaning of “disclose.” This will make it difficult for businesses to implement, while the bill would subject them to the Consumer Protection Act and the significant penalties it carries for violations.

For these reasons, 1-800-FLOWERS.COM urges an unfavorable report on House Bill 27.

HB 27 - Floral Wire Service - Information.pdf

Uploaded by: Steven Sakamoto-Wengel

Position: INFO

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March 22, 2023

To: The Honorable Melony Griffith, Chair
Finance Committee

From: Philip Ziperman, Deputy Chief
Consumer Protection Division

Re: House Bill 27 – Commercial Law - Consumer Protection Act - Floral Wire Services
(LETTER OF INFORMATION)

The Consumer Protection Division of the Office of the Attorney General submits the following letter of information concerning House Bill 27, sponsored by Delegate Griffith, which would define as an unfair, abusive, or deceptive trade practice a floral wire service's failure to disclose to customers that they are buying from a floral wire service and not directly from a local florist.

It would be a misrepresentation in violation of 13-301(1) of the CPA to represent that a business is a local business when it is not. Although limited to directory listings, the General Assembly previously addressed a similar issue in connection with florists who took out listings in telephone directories falsely suggesting they were local businesses. *See* Chapters 10 and 11 (2009), codified at Md. Code Ann., Com. Law § 11-704.1.

Also, Section 13-301(3) of the Consumer Protection Act requires disclosure of material facts to consumers if the failure to disclose those facts would deceive or tend to deceive consumers. "An omission is material if a significant number of unsophisticated consumers would find that information important in determining a course of action." *Green v. H & R Block*, 355 Md. 488, 524 (1999).

Accordingly, the Consumer Protection Division requests that the Finance Committee take the above information into consideration as it reviews House Bill 27.

cc: The Honorable Mike Griffith
Members, Finance Committee