

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

House Bill 211 (Delegate Clagett. *et al.*)

Economic Matters

Business Regulation - Trade Names - Deceptive Practices

This bill prohibits a person with the intent to defraud from using a name in the course of selling flowers or plants to intentionally misrepresent the geographic origin or location of the business. This prohibition does not apply to individuals with similar names. A person who violates the bill's provisions is guilty of a misdemeanor and subject to a fine not exceeding \$100 per day.

Fiscal Summary

State Effect: Minimal. Assuming the Consumer Protection Division receives fewer than 50 complaints as a result of this bill, any additional workload could be handled with existing resources. The monetary penalty provision of this bill would not materially affect State finances.

Local Effect: None.

Small Business Effect: Minimal. Small flower shops could benefit from this bill if consumers shift current purchasing practices away from businesses that are located out-of-state.

Fiscal Analysis

Small Business Effect: Most flower shops are small businesses. Furthermore, a significant part of the floral industry involves orders from customers in one locality for delivery of flowers in another locality. Unfamiliar with local florists in the place of delivery, customers often rely on the telephone directory or a directory assistance service to find a flower shop which services the area. Additionally, people who want to send flowers within the same

town often place their orders over the phone. As a consequence, some customers mistakenly assume that they have purchased flowers from a small florist located in the place of delivery. For example, in the Annapolis area, there is 1 listing in the Bell Atlantic Telephone Directory for florists that uses a 1-800 telephone listing. This business lists Annapolis as its place of operation. However, it is actually located in Atlanta, Georgia. Assuming intent to defraud, the bill would prohibit this practice and consumers would know where the flower shop is located before they place their orders. To the extent that customers prefer small local florists, small floral businesses would benefit.

Information Source(s): Attorney General's Office (Consumer Protection Division),
Department of Legislative Services

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