

Committee on Consumer Affairs and Protection

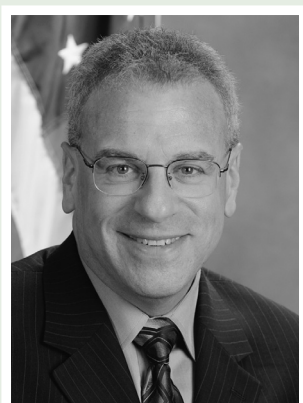
Sheldon Silver, Speaker • Jeffrey Dinowitz, Chair

Message from the Chair

Dear Friend,

I am pleased to write to you with an update from the Assembly Committee on Consumer Affairs and Protection. The 2012 Legislative Session has concluded and in this newsletter you will find a brief summary of what my colleagues and I accomplished as well as some information about hearings and roundtables the Committee sponsored.

This session the Committee and I focused on a wide array of legislation. Some of the highlights included: legislation that would ban the use of credit history in hiring and employment decisions by employers, as well as legislation stopping deceptive advertising of fuel prices by gas stations. You will find summaries of these bills as well as others that the Committee acted upon during the year. We now will look towards next session and in the meantime hope to use the off-session to host hearings on important topics to further help protect New York's consumers.



As we all look towards a beautiful summer, please find some information I have included which I feel can be of use to you and yours to keep everyone safe and sound during the hot summer months.

Sincerely,

A handwritten signature in black ink that reads "Jeffrey Dinowitz".

Jeffrey Dinowitz
Chairman, Assembly Committee on Consumer Affairs and Protection

Important Contacts

**NYS Dept. of State
Division of Consumer
Protection**
5 Empire State Plaza,
Suite 2101
Albany, NY 12223
1-800-697-1220
[www.dos.ny.gov/
consumerprotection](http://www.dos.ny.gov/consumerprotection)

NYS Attorney General
The Capitol
Albany, NY 12224
1-800-771-7755
www.ag.ny.gov

**Federal Trade
Commission**
600 Pennsylvania Ave., NW
Washington, DC 20580
1-877-382-4357
www.ftc.gov

**National Do Not
Call Registry**
To register, call:
1-888-382-1222 or
visit: www.donotcall.gov

Legislative Update

During the 2012 Legislative Session, the Committee advanced legislation addressing a wide range of consumer issues, including the following:

A.8070-B (Stevenson)

This bill would prohibit an employer or potential employer from using an individual's credit history in his or her decision to hire, terminate, promote, demote or discipline an employee or possible employee. *(Passed Assembly)*

A.9437 (Dinowitz)

This bill would prohibit the use of unsafe cribs by any child care facility or place of public accommodation. *(Passed Assembly)*

A.8801-C (Rivera, N)

This bill would prohibit any person from selling a drug that is subject to a shortage at an

unconscionably excessive price. *(Passed Assembly)*

A.10413 (Dinowitz)

This bill would extend consumer protections relating to pre-need funeral insurance and require the Department of Financial Services to conduct a study of pre-need funeral funding options. *(Chapter 88 of the Laws of 2012)*

A.8992-A (Dinowitz)

This bill would restrict the ability of businesses that do not have a legitimate reason to request a consumer's Social Security number (SSN) to force the consumer to provide such number. *(Passed Both Houses)*

Protecting Children from Dangerous Novelty Lighters

In recent years, children playing with novelty lighters have caused several fires and injuries across the nation. These lighters, which resemble toys, vehicles, animals and cellphones, pose an unacceptable risk to children and families. In order to address this public safety threat, the Assembly passed A.8402-A (Dinowitz). This bill would prohibit the distribution or sale of novelty lighters and provide strong penalty and enforcement provisions, including granting law enforcement and state fire prevention investigators the ability to seize lighters offered for sale in violation.



An example of the dangerously-designed lighters that look like toys to a child.

Unsolicited Text Messages: How You Can Fight Back

Despite federal rules that largely prohibit unsolicited text messages, scammers continue to bombard consumers' cell phones with offers for payday loans, mortgage refinancing, and debt management services. As with unsolicited e-mail, unsolicited text messages are a fact of life these days. Thankfully, there are steps consumers can take to fight back, including a new tool that makes it easy to report unwanted messages. AT&T, T-Mobile, and Verizon customers can now report unsolicited text messages by forwarding the message to SPAM (7726). An automated reply message from the carrier will ask for the unsolicited message sender's phone number. Both of these transmissions are free of charge. In addition to reporting spam texts, check with your cellphone carrier to see what text message spam-blocking options are available.

Combating Deceptive Unclaimed Funds Solicitations

Under state law, funds that are unclaimed for a period of time, such as money remaining in inactive bank accounts, unpaid wages, and mortgage insurance refunds, are held by the state on behalf of its rightful owner, and consumers may claim the funds free of charge. Some businesses offer to locate and retrieve consumers' unclaimed funds for a fee. These firms have been the subject of consumer complaints regarding misleading and exaggerated marketing statements. In order to ensure that New Yorkers are fully informed before paying a fee to recover their hard-earned money, the Legislature passed A.10239 (Dinowitz). This bill would require unclaimed funds location solicitations to include a notice stating that property held by the state may be obtained directly from the Office of the State Comptroller free of charge. To search the state's unclaimed funds database, you may visit the Comptroller's website at: <http://www.osc.state.ny.us/ouf/index.htm> or call: 1-800-221-9311.

Oversight Hearing on Utility Intervention

New York's utility customers are protected from unjust and unreasonable rate hikes under state law, which requires utilities to participate in a ratemaking process before increasing rates. The Department of State's (DOS) Utility Intervention Unit (UIU) is statutorily charged with intervening on behalf of ratepayers in ratemaking cases. On February 15, 2012, the Committee held a joint public hearing with the Energy Committee to examine the effectiveness of the UIU since its merger into the DOS as part of the SFY 2011-2012 Enacted Budget. The Committees received valuable

testimony from the DOS, the Public Service Commission and consumer groups. In addition to discussing current staffing levels at the UIU and recent actions taken by the Unit, several witnesses testified on the need to restore funding to the Public Utilities Law Project (PULP), which advocates on behalf of low- and fixed-income utility customers. Following the hearing, Committee Chairs Dinowitz and Cahill successfully fought for the restoration of funding in this year's budget for PULP, which will be resuming operations in the coming months.



Assemblyman Jeffrey Dinowitz at a roundtable with Richard Cordray, Director of the United States Consumer Financial Protection Bureau, and Joy Feigenbaum, Executive Deputy Superintendent at the New York State Department of Financial Services.

Improving New York's Membership Campground Law

Membership campgrounds provide members with access to convenient, family-friendly vacation destinations with a host of amenities and benefits, including the ability to camp at a network of campgrounds across the nation. While these arrangements are very popular, some consumers have complained about being trapped in lengthy multi-year, and even lifetime, contracts. In response to this issue, the Legislature passed A.8965 (Dinowitz), which would provide campground members the ability to cancel their membership under certain circumstances, including when the purchaser enters a nursing home or suffers a serious injury or illness. This bill is awaiting action by the Governor.

Genetically Modified Organisms

The use of food ingredients derived from genetically modified organisms (GMOs), such as corn varieties engineered to resist herbicides, has increased significantly in recent years, alongside consumer concerns regarding the safety of such ingredients. On May 30th, the Committee, along with the Agriculture Committee, held a roundtable on agriculture biotechnology and GMOs with representatives from the academic community, consumer groups, farming associations, and biotechnology companies. Discussion at the roundtable centered around issues related to the regulation and safety of food produced using genetic modification, as well as legislation seeking to regulate GMO products, including a measure pending before the Committee that would require labeling of GMO foods. The Committees intend to continue the dialogue as the State moves toward the development of comprehensive and workable biotechnology policies designed to protect the safety of the food supply, educate consumers about GMOs, and ensure the long-term viability of New York's family farms.

Gasoline Pricing and Marketing: How the Law Protects You

With gas prices averaging over three dollars and fifty cents a gallon, motorists are feeling significant pain at the pump. To add insult to injury, there have been isolated incidents of price gouging and some motorists have reported being lured to a particular gas station by the promise of reduced price fuel, only to find that the price listed on the roadside sign only applies to cash purchases. Motorists should know that current state law protects consumers from grossly inflated pricing and deceptive advertising and the Committee is actively working to strengthen these protections (see sidebar). Consumers can report suspected price gouging and deceptive pricing signs to the Attorney General's office by visiting: <http://www.ag.ny.gov/> or calling 1-800-771-7755.

Private Enforcement of the Price Gouging Law | A.8340 (Dinowitz)

This bill would authorize individuals to bring actions alleging violations of the price gouging statute. Currently, only the Attorney General is authorized to enforce the law.

Regulating the Roadside Display of Gasoline Prices | A.9927 (Dinowitz)

This bill would require gas stations offering fuel at discounted prices based on payment method to either display on a roadside sign the higher price or clearly label the conditions of the lower price (e.g. "Cash Discount").

Summer Consumer Tips

Sun Safety

Summer is here, which means it is time for some fun in the sun. Whether it is in the park, on the sports field, camping, or at the beach, everybody likes to spend some quality time outdoors. The sun can lift your spirits and provide the body with vitamin D, but prolonged exposure can also have negative side effects. Fortunately, a few simple steps can keep you and your family safe. At least twenty minutes before heading outdoors, apply a broad spectrum, water-resistant sunscreen with an SPF of 30 or higher over all exposed parts of the body. Experts recommend that you re-apply sunscreen every two hours and more frequently if you have been swimming or doing an activity that causes you to sweat. If possible, it is best to avoid the sun from 10 a.m. to 4 p.m., when its rays are strongest. Wear clothing that covers your body, including a wide-brimmed hat to protect your head and face, and sunglasses that protect against UV rays. By following these simple sun safety tips, you can spend time outdoors this summer knowing that you and your family are protected from the potentially harmful side effects of sun exposure.

Summer Cooling

It happens every summer. As the temperature rises, so does your utility bill. You can reap significant savings by using your fans and air conditioners wisely. First, on cooler days and nights consider opening your windows and using fans instead of using your air conditioner. If you opt to use your air conditioner, use a fan to spread the cool air throughout your house. Also, you can make your home significantly cooler by taking steps to shade your windows. Sunny windows can cause your air conditioner to work up to two or three times harder, which uses more energy. To shade your windows, consider installing white window shades, drapes, or blinds to help reflect heat away from your home, and draw your curtains on south- and west-facing windows during the daytime.

Consumer Complaint Contacts

New York City Department of Consumer Affairs (DCA)

Consumer Line: Call 311, and ask for Department of Consumer Affairs
Mail to: NYC Department of Consumer Affairs, Consumer Services Division, 42 Broadway, 9th Fl.
New York, NY 10004
www.nyc.gov/html/dca/html/resources/complaint.shtml

New York State Attorney General

Consumer Helpline: 1-800-771-7755
Mail to: Office of the New York State Attorney General
The Capitol
Albany, NY 12224-0341
www.ag.ny.gov/complaint-forms

New York State Department of State (Division of Consumer Protection)

Consumer Line: 1-800-697-1220
Mail to: New York State Department of State, Division of Consumer Protection, Consumer Assistance Unit
99 Washington Avenue
Albany, New York 12231-0001
www.dos.ny.gov/consumerprotection/form/complaintform.asp