

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** HB 1663 Florida free gift law  
**SPONSOR(S):** Brandenburg  
**TIED BILLS:** none **IDEN./SIM. BILLS:** SB 2514

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Agriculture		Reese	Reese
2)			
3)			
4)			
5)			

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**SUMMARY ANALYSIS**

HB 1663 amends s. 817.415, F.S., (the Florida Free Gift Advertising Law) to require persons offering “free” merchandise to consumers to charge the consumer accepting such an offer no more for shipping and handling than the actual cost incurred by the shipper.

A “loophole” in existing law allows a merchant to offer “free” merchandise to consumers, and then realize profit when the consumer must pay excessive shipping and handling costs for the “free” item to be received.

HB 1663 appears to have no fiscal impact on state or local government.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. DOES THE BILL:

- |                                      |   |                             |   |
|--------------------------------------|---|-----------------------------|---|
| 1. Reduce government?                | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes?                      | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom?        | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/>            |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families?                 | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/>            |

For any principle that received a "no" above, please explain:

#### B. EFFECT OF PROPOSED CHANGES:

HB 1663 amends s. 817.415, F.S., (the Florida Free Gift Advertising Law) to require persons offering free merchandise to charge the consumer who accepts such offer no more for shipping and handling than the actual cost incurred by the shipper.

A "loophole" in existing law allows a merchant to offer "free" merchandise to consumers, and then realize profit when the consumer must pay excessive shipping and handling costs for the "free" item to be received.

#### C. SECTION DIRECTORY:

Section 1. amends s. 817.415, F.S., to limit the amount of shipping and handling charges that may be assessed on "free" merchandise.

Section 2. provides an effective date of July 1, 2003.

### II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

##### 1. Revenues:

None

##### 2. Expenditures:

None

#### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

##### 1. Revenues:

None

##### 2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill will provide greater protection to consumers by preventing vendors from charging excessive shipping and handling fees for "free" merchandise.

D. FISCAL COMMENTS:

None

**III. COMMENTS**

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This legislation does not appear to affect municipal or county government.

2. Other:

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

**IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES**

N/A