

HOUSE BILL NO. 1521

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on General Laws

on \_\_\_\_\_)

(Patron Prior to Substitute--Delegate Fowler)

A BILL to amend and reenact § 59.1-200 of the Code of Virginia, relating to the Virginia Consumer Protection Act; prohibited practices; kratom products.

**Be it enacted by the General Assembly of Virginia:**

**1. That § 59.1-200 of the Code of Virginia is amended and reenacted as follows:**

**§ 59.1-200. Prohibited practices.**

A. The following fraudulent acts or practices committed by a supplier in connection with a consumer transaction are hereby declared unlawful:

- 1. Misrepresenting goods or services as those of another;
- 2. Misrepresenting the source, sponsorship, approval, or certification of goods or services;
- 3. Misrepresenting the affiliation, connection, or association of the supplier, or of the goods or services, with another;
- 4. Misrepresenting geographic origin in connection with goods or services;
- 5. Misrepresenting that goods or services have certain quantities, characteristics, ingredients, uses, or benefits;
- 6. Misrepresenting that goods or services are of a particular standard, quality, grade, style, or model;
- 7. Advertising or offering for sale goods that are used, secondhand, repossessed, defective, blemished, deteriorated, or reconditioned, or that are "seconds," irregulars, imperfects, or "not first class," without clearly and unequivocally indicating in the advertisement or offer for sale that the goods are used, secondhand, repossessed, defective, blemished, deteriorated, reconditioned, or are "seconds," irregulars, imperfects or "not first class";

27           8. Advertising goods or services with intent not to sell them as advertised, or with intent not to sell  
28 at the price or upon the terms advertised.

29           In any action brought under this subdivision, the refusal by any person, or any employee, agent,  
30 or servant thereof, to sell any goods or services advertised or offered for sale at the price or upon the terms  
31 advertised or offered, shall be prima facie evidence of a violation of this subdivision. This paragraph shall  
32 not apply when it is clearly and conspicuously stated in the advertisement or offer by which such goods  
33 or services are advertised or offered for sale, that the supplier or offeror has a limited quantity or amount  
34 of such goods or services for sale, and the supplier or offeror at the time of such advertisement or offer  
35 did in fact have or reasonably expected to have at least such quantity or amount for sale;

36           9. Making false or misleading statements of fact concerning the reasons for, existence of, or  
37 amounts of price reductions;

38           10. Misrepresenting that repairs, alterations, modifications, or services have been performed or  
39 parts installed;

40           11. Misrepresenting by the use of any written or documentary material that appears to be an invoice  
41 or bill for merchandise or services previously ordered;

42           12. Notwithstanding any other provision of law, using in any manner the words "wholesale,"  
43 "wholesaler," "factory," or "manufacturer" in the supplier's name, or to describe the nature of the supplier's  
44 business, unless the supplier is actually engaged primarily in selling at wholesale or in manufacturing the  
45 goods or services advertised or offered for sale;

46           13. Using in any contract or lease any liquidated damage clause, penalty clause, or waiver of  
47 defense, or attempting to collect any liquidated damages or penalties under any clause, waiver, damages,  
48 or penalties that are void or unenforceable under any otherwise applicable laws of the Commonwealth, or  
49 under federal statutes or regulations;

50           13a. Failing to provide to a consumer, or failing to use or include in any written document or  
51 material provided to or executed by a consumer, in connection with a consumer transaction any statement,  
52 disclosure, notice, or other information however characterized when the supplier is required by 16 C.F.R.

53 Part 433 to so provide, use, or include the statement, disclosure, notice, or other information in connection  
54 with the consumer transaction;

55 14. Using any other deception, fraud, false pretense, false promise, or misrepresentation in  
56 connection with a consumer transaction;

57 15. Violating any provision of § 3.2-6509, 3.2-6512, 3.2-6513, 3.2-6513.1, 3.2-6514, 3.2-6515,  
58 3.2-6516, or 3.2-6519 is a violation of this chapter;

59 16. Failing to disclose all conditions, charges, or fees relating to:

60 a. The return of goods for refund, exchange, or credit. Such disclosure shall be by means of a sign  
61 attached to the goods, or placed in a conspicuous public area of the premises of the supplier, so as to be  
62 readily noticeable and readable by the person obtaining the goods from the supplier. If the supplier does  
63 not permit a refund, exchange, or credit for return, he shall so state on a similar sign. The provisions of  
64 this subdivision shall not apply to any retail merchant who has a policy of providing, for a period of not  
65 less than 20 days after date of purchase, a cash refund or credit to the purchaser's credit card account for  
66 the return of defective, unused, or undamaged merchandise upon presentation of proof of purchase. In the  
67 case of merchandise paid for by check, the purchase shall be treated as a cash purchase and any refund  
68 may be delayed for a period of 10 banking days to allow for the check to clear. This subdivision does not  
69 apply to sale merchandise that is obviously distressed, out of date, post season, or otherwise reduced for  
70 clearance; nor does this subdivision apply to special order purchases where the purchaser has requested  
71 the supplier to order merchandise of a specific or unusual size, color, or brand not ordinarily carried in the  
72 store or the store's catalog; nor shall this subdivision apply in connection with a transaction for the sale or  
73 lease of motor vehicles, farm tractors, or motorcycles as defined in § 46.2-100;

74 b. A layaway agreement. Such disclosure shall be furnished to the consumer (i) in writing at the  
75 time of the layaway agreement, or (ii) by means of a sign placed in a conspicuous public area of the  
76 premises of the supplier, so as to be readily noticeable and readable by the consumer, or (iii) on the bill of  
77 sale. Disclosure shall include the conditions, charges, or fees in the event that a consumer breaches the  
78 agreement;

- 79           16a. Failing to provide written notice to a consumer of an existing open-end credit balance in  
80 excess of \$5 (i) on an account maintained by the supplier and (ii) resulting from such consumer's  
81 overpayment on such account. Suppliers shall give consumers written notice of such credit balances within  
82 60 days of receiving overpayments. If the credit balance information is incorporated into statements of  
83 account furnished consumers by suppliers within such 60-day period, no separate or additional notice is  
84 required;
- 85           17. If a supplier enters into a written agreement with a consumer to resolve a dispute that arises in  
86 connection with a consumer transaction, failing to adhere to the terms and conditions of such an  
87 agreement;
- 88           18. Violating any provision of the Virginia Health Club Act, Chapter 24 (§ 59.1-294 et seq.);
- 89           19. Violating any provision of the Virginia Home Solicitation Sales Act, Chapter 2.1 (§ 59.1-21.1  
90 et seq.);
- 91           20. Violating any provision of the Automobile Repair Facilities Act, Chapter 17.1 (§ 59.1-207.1  
92 et seq.);
- 93           21. Violating any provision of the Virginia Lease-Purchase Agreement Act, Chapter 17.4 (§ 59.1-  
94 207.17 et seq.);
- 95           22. Violating any provision of the Prizes and Gifts Act, Chapter 31 (§ 59.1-415 et seq.);
- 96           23. Violating any provision of the Virginia Public Telephone Information Act, Chapter 32 (§ 59.1-  
97 424 et seq.);
- 98           24. Violating any provision of § 54.1-1505;
- 99           25. Violating any provision of the Motor Vehicle Manufacturers' Warranty Adjustment Act,  
100 Chapter 17.6 (§ 59.1-207.34 et seq.);
- 101           26. Violating any provision of § 3.2-5627, relating to the pricing of merchandise;
- 102           27. Violating any provision of the Pay-Per-Call Services Act, Chapter 33 (§ 59.1-429 et seq.);
- 103           28. Violating any provision of the Extended Service Contract Act, Chapter 34 (§ 59.1-435 et seq.);
- 104           29. Violating any provision of the Virginia Membership Camping Act, Chapter 25 (§ 59.1-311 et  
105 seq.);

- 106 30. Violating any provision of the Comparison Price Advertising Act, Chapter 17.7 (§ 59.1-207.40
- 107 et seq.);
- 108 31. Violating any provision of the Virginia Travel Club Act, Chapter 36 (§ 59.1-445 et seq.);
- 109 32. Violating any provision of §§ 46.2-1231 and 46.2-1233.1;
- 110 33. Violating any provision of Chapter 40 (§ 54.1-4000 et seq.) of Title 54.1;
- 111 34. Violating any provision of Chapter 10.1 (§ 58.1-1031 et seq.) of Title 58.1;
- 112 35. Using the consumer's social security number as the consumer's account number with the
- 113 supplier, if the consumer has requested in writing that the supplier use an alternate number not associated
- 114 with the consumer's social security number;
- 115 36. Violating any provision of Chapter 18 (§ 6.2-1800 et seq.) of Title 6.2;
- 116 37. Violating any provision of § 8.01-40.2;
- 117 38. Violating any provision of Article 7 (§ 32.1-212 et seq.) of Chapter 6 of Title 32.1;
- 118 39. Violating any provision of Chapter 34.1 (§ 59.1-441.1 et seq.);
- 119 40. Violating any provision of Chapter 20 (§ 6.2-2000 et seq.) of Title 6.2;
- 120 41. Violating any provision of the Virginia Post-Disaster Anti-Price Gouging Act, Chapter 46 (§
- 121 59.1-525 et seq.);
- 122 42. Violating any provision of Chapter 47 (§ 59.1-530 et seq.);
- 123 43. Violating any provision of § 59.1-443.2;
- 124 44. Violating any provision of Chapter 48 (§ 59.1-533 et seq.);
- 125 45. Violating any provision of Chapter 25 (§ 6.2-2500 et seq.) of Title 6.2;
- 126 46. Violating the provisions of clause (i) of subsection B of § 54.1-1115;
- 127 47. Violating any provision of § 18.2-239;
- 128 48. Violating any provision of Chapter 26 (§ 59.1-336 et seq.);
- 129 49. Selling, offering for sale, or manufacturing for sale a children's product the supplier knows or
- 130 has reason to know was recalled by the U.S. Consumer Product Safety Commission. There is a rebuttable
- 131 presumption that a supplier has reason to know a children's product was recalled if notice of the recall has
- 132 been posted continuously at least 30 days before the sale, offer for sale, or manufacturing for sale on the

133 website of the U.S. Consumer Product Safety Commission. This prohibition does not apply to children's  
134 products that are used, secondhand or "seconds";

135 50. Violating any provision of Chapter 44.1 (§ 59.1-518.1 et seq.);

136 51. Violating any provision of Chapter 22 (§ 6.2-2200 et seq.) of Title 6.2;

137 52. Violating any provision of § 8.2-317.1;

138 53. Violating subsection A of § 9.1-149.1;

139 54. Selling, offering for sale, or using in the construction, remodeling, or repair of any residential  
140 dwelling in the Commonwealth, any drywall that the supplier knows or has reason to know is defective  
141 drywall. This subdivision shall not apply to the sale or offering for sale of any building or structure in  
142 which defective drywall has been permanently installed or affixed;

143 55. Engaging in fraudulent or improper or dishonest conduct as defined in § 54.1-1118 while  
144 engaged in a transaction that was initiated (i) during a declared state of emergency as defined in § 44-  
145 146.16 or (ii) to repair damage resulting from the event that prompted the declaration of a state of  
146 emergency, regardless of whether the supplier is licensed as a contractor in the Commonwealth pursuant  
147 to Chapter 11 (§ 54.1-1100 et seq.) of Title 54.1;

148 56. Violating any provision of Chapter 33.1 (§ 59.1-434.1 et seq.);

149 57. Violating any provision of § 18.2-178, 18.2-178.1, or 18.2-200.1;

150 58. Violating any provision of Chapter 17.8 (§ 59.1-207.45 et seq.);

151 59. Violating any provision of subsection E of § 32.1-126;

152 60. Violating any provision of § 54.1-111 relating to the unlicensed practice of a profession  
153 licensed under Chapter 11 (§ 54.1-1100 et seq.) or Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1;

154 61. Violating any provision of § 2.2-2001.5;

155 62. Violating any provision of Chapter 5.2 (§ 54.1-526 et seq.) of Title 54.1;

156 63. Violating any provision of § 6.2-312;

157 64. Violating any provision of Chapter 20.1 (§ 6.2-2026 et seq.) of Title 6.2;

158 65. Violating any provision of Chapter 26 (§ 6.2-2600 et seq.) of Title 6.2;

159 66. Violating any provision of Chapter 54 (§ 59.1-586 et seq.);

160 67. Knowingly violating any provision of § 8.01-27.5;

161 68. Failing to make available a conspicuous online option to cancel a recurring purchase of a good  
162 or service as required by § 59.1-207.46;

163 69. Selling or offering for sale to a person younger than 21 years of age any substance intended  
164 for human consumption, orally or by inhalation, that contains tetrahydrocannabinol. This subdivision shall  
165 not (i) apply to products that are approved for marketing by the U.S. Food and Drug Administration and  
166 scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) be construed to prohibit any conduct  
167 permitted under Article 4.2 of Chapter 34 of Title 54.1 of the Code of Virginia;

168 70. Selling or offering for sale any substance intended for human consumption, orally or by  
169 inhalation, that contains tetrahydrocannabinol, unless such substance is (i) contained in child-resistant  
170 packaging, as defined in § 4.1-600; (ii) equipped with a label that states, in English and in a font no less  
171 than 1/16 of an inch, (a) that the substance contains tetrahydrocannabinol and may not be sold to persons  
172 younger than 21 years of age, (b) all ingredients contained in the substance, (c) the amount of such  
173 substance that constitutes a single serving, and (d) the total percentage and milligrams of  
174 tetrahydrocannabinol included in the substance and the number of milligrams of tetrahydrocannabinol that  
175 are contained in each serving; and (iii) accompanied by a certificate of analysis, produced by an  
176 independent laboratory that is accredited pursuant to standard ISO/IEC 17025 of the International  
177 Organization of Standardization by a third-party accrediting body, that states the tetrahydrocannabinol  
178 concentration of the substance or the tetrahydrocannabinol concentration of the batch from which the  
179 substance originates. This subdivision shall not (i) apply to products that are approved for marketing by  
180 the U.S. Food and Drug Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or  
181 (ii) be construed to prohibit any conduct permitted under Article 4.2 of Chapter 34 of Title 54.1 of the  
182 Code of Virginia;

183 71. Manufacturing, offering for sale at retail, or selling at retail an industrial hemp extract, as  
184 defined in § 3.2-5145.1, a food containing an industrial hemp extract, or a substance containing  
185 tetrahydrocannabinol that depicts or is in the shape of a human, animal, vehicle, or fruit;~~and~~

186           72. Selling or offering for sale any substance intended for human consumption, orally or by  
187 inhalation, that contains tetrahydrocannabinol and, without authorization, bears, is packaged in a container  
188 or wrapper that bears, or is otherwise labeled to bear the trademark, trade name, famous mark as defined  
189 in 15 U.S.C. § 1125, or other identifying mark, imprint, or device, or any likeness thereof, of a  
190 manufacturer, processor, packer, or distributor of a product intended for human consumption other than  
191 the manufacturer, processor, packer, or distributor that did in fact so manufacture, process, pack, or  
192 distribute such substance; and

193           73. Selling or offering for sale (i) (a) any kratom product that includes or is packed with a substance  
194 that is not kratom and that affects the quality or strength of the kratom product to such a degree as to  
195 render the kratom product injurious to a consumer, (b) any kratom extract that contains levels of residual  
196 solvents that are higher than is allowed in Chapter 467 of the current edition of the United States  
197 Pharmacopeia, (c) any kratom product containing a level of 7-hydroxymitragynine in the alkaloid fraction  
198 that is greater than two percent of the overall alkaloid composition of the product, or (d) any kratom  
199 product containing any synthetic alkaloids, including synthetic mitragyna, synthetic 7-  
200 hydroxymitragynine, or any other synthetically derived compounds of the plant Mitragyna speciosa; (ii)  
201 any kratom product to a person younger than 18 years of age; or (iii) any kratom product that does not  
202 provide labeling directions necessary for safe use by consumers, including a recommended serving size.  
203 As used in this subdivision, "kratom" means any part of the leaf of the plant Mitragyna speciosa or any  
204 extract thereof; "kratom extract" means a food product containing kratom that has been extracted or  
205 concentrated in order to provide more standardized product content; and "kratom product" means any food  
206 product containing kratom, including any kratom extract, powder, capsule, tablet, beverage, or other edible  
207 form of kratom.

208           B. Nothing in this section shall be construed to invalidate or make unenforceable any contract or  
209 lease solely by reason of the failure of such contract or lease to comply with any other law of the  
210 Commonwealth or any federal statute or regulation, to the extent such other law, statute, or regulation  
211 provides that a violation of such law, statute, or regulation shall not invalidate or make unenforceable such  
212 contract or lease.



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