

SPIROS MANTZAVINOS
STATE SENATOR
7th District

SENATE
STATE OF DELAWARE
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DOVER, DELAWARE 19901

COMMITTEES
Banking, Business & Insurance -
Chair
Capital Improvement
Labor
Transportation
Veterans Affairs

Senate Banking, Business, & Insurance Committee Meeting

Minutes

Date: Wednesday, May 19, 2021

Time: 10:00 AM in Virtual Format

Committee Members Present:

Senator Spiros Mantzavinos	Spiros.Mantzavinos@delaware.gov
Senator Trey Paradee	Trey.Paradee@delaware.gov
Senator Jack Walsh	John.Walsh@delaware.gov
Senator Laura Sturgeon	Laura.Sturgeon@delaware.gov
Senator Colin Bonini	Colin.Bonini@delaware.gov
Senator Bryant Richardson	Bryant.Richardson@delaware.gov

Staff Present:

Nicole Alvarez	Nicole.Alvarez@delaware.gov
Taylor Hawk	Taylor.Hawk@delaware.gov
Michael Soyka	Michael.Soyka@delaware.gov
Deanna Killen	deanna.killen@delaware.gov
Scott Gross	scott.gross@delaware.gov

Attendees:

Brian Eng, Delaware Department of Justice	Valerie McCartan, State Senate
David Walsh, DIW Group	Sara Poore, State Senate
Robert Scoglietti, Controller General Office	Christine Schilitz, Parkowski, Guerke & Swayze
Corrine Armann, Rebecca Batson Kinder, P.A.	Gina Schoenberg, Department of Justice
Bryon Short, Delaware Contractors Association	Robert Overmiller, RDO Refrigeration
Deborah Gottschalk, Division of Research	Sabrina Quarles, Constituent
Janice Durham, House of Representatives	Rebecca Calvello, Senate Minority Caucus
Joe Irizarry, Delaware Public Media	Kathleen Rutherford, C.S. Kidner and Associates
Senator David Sokola, Senate	Chris DiPietro, CDi Consulting Services LLC
Evan Park, University of Delaware	James Dechene, Armitage DeChene @ Associates
Mary Davis, Ned Davis Assoc.	Lauren Vella, Delaware Department of Justice
Bonnie Metz, Verizon	Mary Kate McLaughlin, Faegre Drinker

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Marion Quirk, DDOJ, Office of Attorney General
John Cordrey, Office of the Alcoholic Beverage Control Commissioner
Brandon Williams, House Majority Caucus
Jordan Seemans, Office of the State Treasurer
Alexa Adams, State Senate
Scott Kidner, Comcast
Jonathan Patterson, House of Representatives
Patrick Allen, Allen Strategies
Laird Stabler III, Constituent
Robert Trostel, Breakthru Beverage
Senator Nicole Poore, State Senate

Tara Ryan, ESA Entertainment Software Association
Kim Willson, RWA
Jason Smith, Delaware General Assembly
Emy Diaz, State Senate
Rebecca Byrd, ByrdGomes
Carrie Cole, ByrdGomes
Joe Jasper, Musings Fermentation Underground
Sean Looney, Comcast
Tom Collins, Delaware Bankers Association
John Aiello, Southern Glazer's Wine and Spirits
Rep. Paul Baumbach, House of Representatives

Senator Mantzavinos convened the meeting at 10:00 AM and roll call was taken.

- I. The meeting minutes from 5/12/21 were approved
- II. **SB 93 (Poore)**- AN ACT TO AMEND TITLE 6 OF THE DELAWARE CODE RELATING TO CONSUMER CONTRACTS

Sen. Mantzavinos recognized Sen. Poore, who explained to the committee that SB 93 aims to provide protection to consumers who unknowingly enter into an automatic renewal contract by setting requirements for the sellers of said contracts.

Sen. Poore explained that the bill applied to contracts that are renewed for a specific period of more than one month if the renewal causes the contract to be in effect for more than six months. Any seller of a contract with an automatic renewal provision must disclose clearly the details of the renewal at the time of the contract being entered. The seller must also notify the consumer of each upcoming extension of the contract at least 30 days prior to the cancellation deadline.

Sen. Poore clarified that "clearly" means that the language is in a contrasting text size or print then the text around it or is set apart by other marks.

Sen. Poore discussed amendments that will be coming forth per the suggestion of the business community regarding audio disclosures for individuals who are blind as well as an extension for the contract period to 12 months instead of 6 months and some remedies for businesses to take before being punished.

Sen. Mantzavinos opened the floor to questions from committee members.

Sen. Sturgeon voiced her support for the bill.

Sen. Walsh asked questions about the audio disclosure amendment and about any possible undue hardship on businesses as a result of this bill.

Sen. Poore explained that businesses are not being asked not to forecast what their revenue would look like, but rather they are asking as a consumer, is the opportunity to opt in or opt out. Often

times it is difficult to figure out how to opt out. The purpose of the bill is not to stifle businesses, but rather be consumer friendly.

Seeing no additional questions from committee members, Sen. Mantzavinos moved to public comment.

Robert Overmiller went on record to support the bill

Tara Ryan voiced her opposition to the bill on behalf of Entertainment Software Association and expressed willingness to work with the bill's authors and remove her opposition.

Marion Quirk voiced her support for the bill on behalf of the Consumer Protection Unit of the Delaware Department of Justice

Scott Kidner expressed willingness to continue to work with Sen. Poore on an amendment.

Sen. Mantzavinos closed public comment

III. HB 81 (Baumbach)- AN ACT TO AMEND TITLE 4 OF THE DELAWARE CODE RELATING TO MICROBREWERIES.

Sen. Mantzavinos gave his time to Rep. Baumbach to give an explanation of the bill.

Rep. Baumbach explained that the bill would allow existing microbreweries to lend equipment to microbreweries in the start-up stages. He also mentioned that the DE House passed the bill unanimously last year.

Sen. Mantzavinos opened the floor to questions from committee members.

Seeing no questions from committee members, Sen. Mantzavinos moved to public comment.

Joe Jasper expressed support for HB 81 on behalf of Musings Fermentation Underground.

Robert Overmiller expressed his support for the bill.

Seeing no hands for public comment, Sen. Mantzavinos moved to the next item on the agenda.

IV. HB 98 (Bush & Walsh)- AN ACT TO AMEND TITLE 4 OF THE DELAWARE CODE RELATING TO ALCOHOLIC LIQUORS.

Sen. Mantzavinos recognized to Sen. Walsh for HB 98. He gave background information on the bill and explained that it would close a loophole that prevents distributors from opening and processing orders on Sundays and holidays from local businesses.

Sen. Mantzavinos opened the floor to questions from committee members.

Seeing no questions from committee members, Sen. Mantzavinos moved to public comment.

Robert Overmiller voiced his support for the bill.

Seeing no hands for public comment, Sen. Mantzavinos moved to the next item on the agenda.

V. HB 91 w House Amendment 1 (Bentz)- AN ACT TO AMEND TITLE 6 OF THE DELAWARE CODE RELATING TO PROHIBITED TRADE PRACTICES.

Sen. Mantzavinos deferred to Sen. Paradee for HB 91. He explained that the bill amends the Delaware Consumer Fraud Act to give consumers protections against unfair acts in commerce. He explained that this bill would bring Delaware into alignment with other states who have this language in their codes.

Sen. Mantzavinos deferred to Marion Quirk from the Delaware Department of Justice for additional comments before opening the floor to questions from committee members.

Marion Quirk explained that this bill is the top legislative priority for the Fraud and Consumer Protection unit of the Delaware Department of Justice. She also noted the cooperation with the business lobby to create a definition of “unfair” and add the word “receipt.”

Ms. Quirk explained that this legislation would allow Delaware to be part of fraud protection efforts on a national scale.

Sen. Mantzavinos opened the floor to questions from the committee members.

Sen. Bonini asked Ms. Quirk who defines the word “unfair.”

Ms. Quirk explained that there is well established law on how to interpret unfairness. Other states and the FTC have adopted unfairness in their consumer fraud acts. DOJ essentially borrowed the FTC definition of unfairness. Guidance is provided by other laws as what is considered unfair.

Sen. Mantzavinos asked a question to clarify that House Amendment 1 is the definition of “unfair practice.” Marion Quirk confirmed.

Seeing no questions from committee members, Sen. Mantzavinos moved to public comment.

Robert Overmiller voiced his support for the bill.

James Dechene, on behalf of the state Chamber of Commerce, commended and thanked the DOJ and Rep. Bentz for using the language that the Federal Trade Commission accepts.

Scott Kidner, on behalf of Comcast, thanked the DOJ for working with them on this bill.

Sen. Mantzavinos told the members of the committee to watch their emails to vote on the bills discussed today

Sen. Mantzavinos adjourned the meeting at 10:51 AM