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HOUSE BILL NO. 2073

Offered January 11, 2017

Prefiled January 10, 2017

A BILL to amend and reenact §§ 19.2-215.1 and 59.1-200 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 22.2 of Title 19.2 a section numbered 19.2-386.36, relating to certain fraud crimes; multi-jurisdiction grand jury; forfeiture; Virginia Consumer Protection Act.

 Patron—Watts

Referred to Committee for Courts of Justice

Be it enacted by the General Assembly of Virginia:

1. That §§ 19.2-215.1 and 59.1-200 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 22.2 of Title 19.2 a section numbered 19.2-386.36 as follows:

§ 19.2-215.1. Functions of a multi-jurisdiction grand jury.The functions of a ~~multi-jurisdiction~~ multi-jurisdiction grand jury are:

1. To investigate any condition that involves or tends to promote criminal violations of:

a. Title 10.1 for which punishment as a felony is authorized;

b. § 13.1-520;

c. §§ 18.2-47 and 18.2-48;

d. §§ 18.2-111 and 18.2-112;

e. Article 6 (§ 18.2-59 et seq.) of Chapter 4 of Title 18.2;

f. Article 7.1 (§ 18.2-152.1 et seq.) of Chapter 5 of Title 18.2;

g. Article 1 (§ 18.2-247 et seq.) and Article 1.1 (§ 18.2-265.1 et seq.) of Chapter 7 of Title 18.2;

h. Article 1 (§ 18.2-325 et seq.) and Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2, Chapter 29 (§ 59.1-364 et seq.) of Title 59.1 or any other provision prohibiting, limiting, regulating, or otherwise affecting gaming or gambling activity;

i. § 18.2-434, when violations occur before a ~~multi-jurisdiction~~ multi-jurisdiction grand jury;

j. Article 2 (§ 18.2-438 et seq.) and Article 3 (§ 18.2-446 et seq.) of Chapter 10 of Title 18.2;

k. § 18.2-460 for which punishment as a felony is authorized;

l. Article 1.1 (§ 18.2-498.1 et seq.) of Chapter 12 of Title 18.2;

m. Article 1 (§ 32.1-310 et seq.) of Chapter 9 of Title 32.1;

n. Chapter 4.2 (§ 59.1-68.6 et seq.) of Title 59.1;

o. Article 9 (§ 3.2-6570 et seq.) of Chapter 65 of Title 3.2;

p. Article 1 (§ 18.2-30 et seq.) of Chapter 4 of Title 18.2;

q. Article 2.1 (§ 18.2-46.1 et seq.) and Article 2.2 (§ 18.2-46.4 et seq.) of Chapter 4 of Title 18.2;

r. Article 5 (§ 18.2-186 et seq.) and Article 6 (§ 18.2-191 et seq.) of Chapter 6 of Title 18.2;

s. Chapter 6.1 (§ 59.1-92.1 et seq.) of Title 59.1;

t. § 18.2-178 where the violation involves insurance fraud;

u. § 18.2-346 for which punishment as a felony is authorized or § 18.2-355, 18.2-356, 18.2-357, or 18.2-357.1;

v. Article 9 (§ 18.2-246.1 et seq.) of Chapter 6 of Title 18.2;

w. Article 2 (§ 18.2-38 et seq.) of Chapter 4 of Title 18.2;

x. Malicious felonious assault and malicious bodily wounding under Article 4 (§ 18.2-51 et seq.) of Chapter 4 of Title 18.2;

y. Article 5 (§ 18.2-58 et seq.) of Chapter 4 of Title 18.2;

z. Felonious sexual assault under Article 7 (§ 18.2-61 et seq.) of Chapter 4 of Title 18.2;

aa. Arson in violation of § 18.2-77 when the structure burned was occupied or a Class 3 felony violation of § 18.2-79;

bb. Chapter 13 (§ 18.2-512 et seq.) of Title 18.2;

cc. § 18.2-246.14 and Chapter 10 (§ 58.1-1000 et seq.) of Title 58.1; and

dd. §§ 18.2-178, 18.2-178.1, and 18.2-200.1; and

ee. Any other provision of law when such condition is discovered in the course of an investigation that a ~~multi-jurisdiction~~ multi-jurisdiction grand jury is otherwise authorized to undertake and to investigate any condition that involves or tends to promote any attempt, solicitation or conspiracy to violate the laws enumerated in this section.

2. To report evidence of any criminal offense enumerated in subdivision 1 and for which a court reporter has recorded all oral testimony as provided by § 19.2-215.9 to the attorney for the

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59 Commonwealth or United States attorney of any jurisdiction where such offense could be prosecuted or
60 investigated, or to the chief law-enforcement officer of any jurisdiction where such offense could be
61 prosecuted or investigated, or to a sworn investigator designated pursuant to § 19.2-215.6, or, when
62 appropriate, to the Attorney General.

63 3. To consider bills of indictment prepared by a special counsel to determine whether there is
64 sufficient probable cause to return each such indictment as a "true bill." Only bills of indictment which
65 allege an offense enumerated in subdivision 1 may be submitted to a ~~multijurisdiction~~ multi-jurisdiction
66 grand jury.

67 4. The provisions of this section shall not abrogate the authority of an attorney for the
68 Commonwealth in a particular jurisdiction to determine the course of a prosecution in that jurisdiction.

69 **§ 19.2-386.36. Forfeiture of motor vehicles used in commission of certain crimes involving fraud.**

70 A. Any motor vehicle knowingly used by the owner thereof or used by another with his knowledge of
71 and during the commission of, or in an attempt to commit, an offense of § 18.2-178, 18.2-178.1, or
72 18.2-200.1, shall be forfeited to the Commonwealth. The motor vehicle shall be seized by any
73 law-enforcement officer arresting the operator of such vehicle for the criminal offense and delivered to
74 the sheriff of the county or city in which the offense occurred. The officer shall take a receipt therefor.

75 B. Any forfeiture action under this section shall be stayed until conviction, and property eligible for
76 forfeiture pursuant to this section shall be forfeited only upon the entry of a final judgment of conviction
77 for an offense listed in this section; if no such judgment is entered, all property seized pursuant to this
78 section shall be released from seizure.

79 C. All seizures and forfeitures under this section shall be governed by the procedures contained in
80 Chapter 22.1 (§ 19.2-386.1 et seq.).

81 **§ 59.1-200. Prohibited practices.**

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

84 1. Misrepresenting goods or services as those of another;

85 2. Misrepresenting the source, sponsorship, approval, or certification of goods or services;

86 3. Misrepresenting the affiliation, connection, or association of the supplier, or of the goods or
87 services, with another;

88 4. Misrepresenting geographic origin in connection with goods or services;

89 5. Misrepresenting that goods or services have certain quantities, characteristics, ingredients, uses, or
90 benefits;

91 6. Misrepresenting that goods or services are of a particular standard, quality, grade, style, or model;

92 7. Advertising or offering for sale goods that are used, secondhand, repossessed, defective,
93 blemished, deteriorated, or reconditioned, or that are "seconds," irregulars, imperfections, or "not first
94 class," without clearly and unequivocally indicating in the advertisement or offer for sale that the goods
95 are used, secondhand, repossessed, defective, blemished, deteriorated, reconditioned, or are "seconds,"
96 irregulars, imperfections or "not first class";

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

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

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

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

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

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

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

120 13a. Failing to provide to a consumer, or failing to use or include in any written document or

material provided to or executed by a consumer, in connection with a consumer transaction any statement, disclosure, notice, or other information however characterized when the supplier is required by 16 C.F.R. Part 433 to so provide, use, or include the statement, disclosure, notice, or other information in connection with the consumer transaction;

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

15. Violating any provision of § 3.2-6512, 3.2-6513, or 3.2-6516, relating to the sale of certain animals by pet dealers which is described in such sections, is a violation of this chapter;

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

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

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

16a. Failing to provide written notice to a consumer of an existing open-end credit balance in excess of \$5 (i) on an account maintained by the supplier and (ii) resulting from such consumer's overpayment on such account. Suppliers shall give consumers written notice of such credit balances within 60 days of receiving overpayments. If the credit balance information is incorporated into statements of account furnished consumers by suppliers within such 60-day period, no separate or additional notice is required;

17. If a supplier enters into a written agreement with a consumer to resolve a dispute that arises in connection with a consumer transaction, failing to adhere to the terms and conditions of such an agreement;

18. Violating any provision of the Virginia Health Club Act, Chapter 24 (§ 59.1-294 et seq.) of this title;

19. Violating any provision of the Virginia Home Solicitation Sales Act, Chapter 2.1 (§ 59.1-21.1 et seq.) of this title;

20. Violating any provision of the Automobile Repair Facilities Act, Chapter 17.1 (§ 59.1-207.1 et seq.) of this title;

21. Violating any provision of the Virginia Lease-Purchase Agreement Act, Chapter 17.4 (§ 59.1-207.17 et seq.) of this title;

22. Violating any provision of the Prizes and Gifts Act, Chapter 31 (§ 59.1-415 et seq.) of this title;

23. Violating any provision of the Virginia Public Telephone Information Act, Chapter 32 (§ 59.1-424 et seq.) of this title;

24. Violating any provision of § 54.1-1505;

25. Violating any provision of the Motor Vehicle Manufacturers' Warranty Adjustment Act, Chapter 17.6 (§ 59.1-207.34 et seq.) of this title;

26. Violating any provision of § 3.2-5627, relating to the pricing of merchandise;

27. Violating any provision of the Pay-Per-Call Services Act, Chapter 33 (§ 59.1-429 et seq.) of this title;

28. Violating any provision of the Extended Service Contract Act, Chapter 34 (§ 59.1-435 et seq.) of this title;

29. Violating any provision of the Virginia Membership Camping Act, Chapter 25 (§ 59.1-311 et seq.) of this title;

30. Violating any provision of the Comparison Price Advertising Act, Chapter 17.7 (§ 59.1-207.40 et seq.) of this title;

31. Violating any provision of the Virginia Travel Club Act, Chapter 36 (§ 59.1-445 et seq.) of this

182 title;
183 32. Violating any provision of §§ 46.2-1231 and 46.2-1233.1;
184 33. Violating any provision of Chapter 40 (§ 54.1-4000 et seq.) of Title 54.1;
185 34. Violating any provision of Chapter 10.1 (§ 58.1-1031 et seq.) of Title 58.1;
186 35. Using the consumer's social security number as the consumer's account number with the supplier,
187 if the consumer has requested in writing that the supplier use an alternate number not associated with
188 the consumer's social security number;
189 36. Violating any provision of Chapter 18 (§ 6.2-1800 et seq.) of Title 6.2;
190 37. Violating any provision of § 8.01-40.2;
191 38. Violating any provision of Article 7 (§ 32.1-212 et seq.) of Chapter 6 of Title 32.1;
192 39. Violating any provision of Chapter 34.1 (§ 59.1-441.1 et seq.) of this title;
193 40. Violating any provision of Chapter 20 (§ 6.2-2000 et seq.) of Title 6.2;
194 41. Violating any provision of the Virginia Post-Disaster Anti-Price Gouging Act, Chapter 46
195 (§ 59.1-525 et seq.) of this title;
196 42. Violating any provision of Chapter 47 (§ 59.1-530 et seq.) of this title;
197 43. Violating any provision of § 59.1-443.2;
198 44. Violating any provision of Chapter 48 (§ 59.1-533 et seq.) of this title;
199 45. Violating any provision of Chapter 25 (§ 6.2-2500 et seq.) of Title 6.2;
200 46. Violating the provisions of clause (i) of subsection B of § 54.1-1115;
201 47. Violating any provision of § 18.2-239;
202 48. Violating any provision of Chapter 26 (§ 59.1-336 et seq.);
203 49. Selling, offering for sale, or manufacturing for sale a children's product the supplier knows or has
204 reason to know was recalled by the U.S. Consumer Product Safety Commission. There is a rebuttable
205 presumption that a supplier has reason to know a children's product was recalled if notice of the recall
206 has been posted continuously at least 30 days before the sale, offer for sale, or manufacturing for sale
207 on the website of the U.S. Consumer Product Safety Commission. This prohibition does not apply to
208 children's products that are used, secondhand or "seconds";
209 50. Violating any provision of Chapter 44.1 (§ 59.1-518.1 et seq.) of this title;
210 51. Violating any provision of Chapter 22 (§ 6.2-2200 et seq.) of Title 6.2;
211 52. Violating any provision of § 8.2-317.1;
212 53. Violating subsection A of § 9.1-149.1; ~~and~~
213 54. *Violating any provision of § 18.2-178, 18.2-178.1, or 18.2-200.1; and*
214 55. Selling, offering for sale, or using in the construction, remodeling, or repair of any residential
215 dwelling in the Commonwealth, any drywall that the supplier knows or has reason to know is defective
216 drywall. This subdivision shall not apply to the sale or offering for sale of any building or structure in
217 which defective drywall has been permanently installed or affixed.
218 B. Nothing in this section shall be construed to invalidate or make unenforceable any contract or
219 lease solely by reason of the failure of such contract or lease to comply with any other law of the
220 Commonwealth or any federal statute or regulation, to the extent such other law, statute, or regulation
221 provides that a violation of such law, statute, or regulation shall not invalidate or make unenforceable
222 such contract or lease.