

HOUSE No. 00993

The Commonwealth of Massachusetts

PRESENTED BY:

Vincent A. Pedone

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act relative to pricing in food stores and food departments

.

PETITION OF:

NAME:

Vincent A. Pedone

DISTRICT/ADDRESS:

15th Worcester

HOUSE No. 00993

By Mr. Pedone of Worcester, a petition (accompanied by bill, House, No. 993) of Vincent A. Pedone relative to pricing in food stores and food departments. Community Development and Small Businesses.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
□ HOUSE
□ , NO. 212 OF 2009-2010.]

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act relative to pricing in food stores and food departments

□.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

- 1 1. Section 184B of chapter 94 is hereby amended in the definition of “food department” by
- 2 striking the word “ten” and inserting in its place thereof the words: — “one hundred”.
- 3 SECTION 2. Section 184C of chapter 94 of the General Laws, as appearing in the 2006 Official
- 4 Edition, is hereby amended by striking out the first paragraph and inserting in place thereof the
- 5 following: —
- 6 Except as hereinafter provided, every item in a food store and every grocery item in a food
- 7 department offered for sale, whether edible or not, shall have affixed to each unit the correct
- 8 selling price. This requirement shall not apply to any item in any food store or food department

9 of less than 35,000 square feet of food selling space which bears a Universal Product
10 Code(“UPC”) barcode, either on the item or the item packaging or on a pricing tag or sticker
11 appended to the item, provided that the seller has available in the store for consumer use at least
12 one electronic scanner for every 5,000 square feet of store selling space, with signs prominently
13 posted adjacent to each scanner at and above eye level, identifying for consumers the location of
14 the scanners, and seller remains in compliance with section 29 of chapter 98 of the General Laws
15 by consistently maintaining a ninety eight percent (98%) or higher accuracy rate on their
16 electronic scanners, and provided further that the seller has obtained the written authorization of
17 all collective bargaining units to which the seller is contractually bound to employ the use of
18 electronic scanners as a means in which to identify the selling price of an item. Electronic
19 scanners available for consumer use are capable of (1) identifying and displaying the item by
20 name or other distinguishing characteristics; (2) displaying the price of the item; and (3)
21 producing an individual pricing tag for that item, except that the Deputy Director may authorize
22 the use of individual hand-held or cart attached scanners in lieu of producing an individual
23 pricing tag. At each scanner location, the seller must also provide the consumer with a means by
24 which such pricing tag may be easily affixed or appended to the item or its packaging (e.g.
25 adhesive pricing tag.) Such scanners must also be in compliance with the Americans with
26 Disabilities Act Accessibility Guidelines, 28 CFR Part 36, Appendix A and the Massachusetts
27 Architectural Access Board Regulations 521 CMR 1.00 et seq.

28 SECTION 3. Section 184C of chapter 94 is hereby amended by striking out, in lines 29 and 30
29 the following words: —

30 “,weigh less than three ounces, cost seventy-five cents or less,”

31 SECTION 4. Section 184C of chapter 94 is hereby amended by deleting section (10) in its
32 entirety, and inserting in place thereof the following: —

33 (10) Items that are located in end-aisle or freestanding displays provided, however, that if
34 offered for sale by a seller with an automatic checkout system they are coded, or if offered by a
35 seller without such system they are on an easily referenced price list at each cash register, and
36 provided, further, that such items are fully and accurately price marked at their regular shelf
37 location, and the seller maintains a list of such items as required by section one hundred and
38 eighty-four D.

39 SECTION 5. Section 184C of chapter 94 is hereby amended by inserting at the end thereof the
40 following: —

41 (12) Items offered temporarily at an advertised reduced price.

42 (13) An additional 5% of items offered for sale, provided that a clear and conspicuous separate
43 sign or single sign in the case of similar items all priced the same, with the price no smaller than
44 three eighths of an inch high, is placed at the point of display of each exempted sale item,
45 identifying the item by its brand name and SKU or UPC number; and further provided that the
46 store maintains a current and accurate price list of all items exempted under this provision. The
47 seller may maintain such a list in any reasonable manner, provided that information contained on
48 the list can be referenced easily by the person requesting it.

49 (14) Food and grocery items sold in a fee-based, private membership wholesale club provided
50 that electronic scanners in compliance with this Section are available every 5,000 square feet of
51 selling space.

52 (15) Non-grocery items sold in a food store provided that electronic scanners in compliance with
53 this Section are available every 5,000 square feet of non-grocery selling space.

54 SECTION 6. Notwithstanding the limited number of exemptions provided in Chapter 94,
55 sections 184B-184E, the Division of Standards is hereby authorized to conduct a six month item
56 pricing removal pilot program commencing on or before October 1, 2009. The pilot program
57 will examine the effects of removing individual price stickers and tags from grocery items and
58 the use and functionality of self-service price check scanners in retail stores selling food. Up to
59 50 retail stores selling food may be accepted into the pilot program.

60 The provisions of said sections 184B-184E shall apply, except that each participating store shall
61 be granted an exemption from the item pricing requirement for all grocery items for the duration
62 of the pilot, except those required to be price marked under other laws, such as meat. Each
63 participating store shall be inspected by the Division or its designee at least twice during the test
64 period.

65 Each individual store location must apply for and be accepted into the pilot program. Written
66 authorization by any collective bargaining unit if applicable must be submitted to the Division
67 with the pilot application. Acceptance will be subject to the approval of the Division. The
68 Division shall review the applications of prospective participants and select a diverse sample of
69 stores taking into account store location, geographical distribution, primary business engaged in
70 by the store, store size, food department size, number of products carried, and other relevant
71 factors. The Division may limit the number of participating stores from any one chain.

72 In their application, each store must certify that they meet all requirements of the pilot, and agree
73 to comply with the terms and conditions of participation below and any other operational or
74 administrative procedures or advisory opinions governing the pilot issued by the Director.

75 Terms and Conditions of Participation for accepted stores:

76 An exemption from the item pricing requirement for grocery and food items is granted for the
77 duration of the test for all such items with either a UPC barcode or machine readable SKU. The
78 Division shall provide each participating store with a letter certifying that the store is granted an
79 exemption from the requirement of item pricing for grocery and food items for the duration of
80 the pilot;

81 Stores shall have one printing, self-service price check scanner for each 5,000 square feet of
82 selling space or fraction thereof based on total store size. Each scanner shall: (a) meet the
83 criteria outlined in 940 CMR 3.13(1)(b)(2) and (3); (b) print the current date on the price sticker
84 or price slip; and (c) place at least one such scanner within or in close proximity to the primary
85 food area of the store. Notwithstanding the printer requirement, the Division may at its
86 discretion grant the use of individual hand-held or cart attached scanners, capable of displaying
87 the price, listing all scanned items, and totaling all prices. In such case, all but one self-service
88 price check scanners located throughout the store may exclude a printing device.

89 At the point of display of every exempt item, the store shall post a price sign in accordance with
90 Chapter 94, section 184C; provided further that stores which discount items for customers with a
91 store loyalty card shall display the "card price" using that term or one of similar import along
92 with the non-card price both at least one inch high. For items required to display a unit price,
93 both a card unit price and non-card unit price shall be displayed and so labeled;

94 Each store shall utilize an automated checkout system as defined in section 184B of Chapter 94
95 with aisle scanners;

96 Testing and compliance: For the purposes of this pilot program, the Division or its designees
97 may inspect any store at any time and levy fines as provided in Chapter 98, Section 56D and
98 Chapter 94, Section 184E. For the purposes of this pilot program, inspections and fines may
99 include the following: an accuracy test for checkout scanners, a sign test for compliance with the
100 posting requirements, and a test of all printing self-service price check scanners in the store for
101 functionality and compliance.

102 Each store must maintain at least a 98% rate of accuracy for its automated checkout scanners
103 based on standardized testing methodology, a 95% compliance rate for proper signage on exempt
104 items, and a “pass” grade for the functionality and compliance of each of its printing self-service
105 price check scanners in the store. Any such self service scanner which fails to print or fails to
106 scan or scan accurately shall be deemed to have failed the test. A tolerance for one error of one
107 missing scanner sign or one missing supply of tape shall be allowed for every ten scanners in the
108 store per inspection. Stores with ten or more scanners shall have a tolerance for error of one
109 failing scanner.

110 Fines may be issued for items that scan incorrectly; for missing, misplaced or incorrect signs; for
111 overcharging; and for failure to test, maintain, or have fully functioning and complying printing
112 self-service price check scanners;

113 Self-audits and maintenance check: Each participating store shall maintain a separate record
114 book for each self-service price check scanner in the store. At least once a day, it shall test each
115 aisle scanner by scanning a different advertised sale item (food or not) at each machine, print the

116 price label for that item, and affix it in the record book for the relevant scanner in chronological
117 order. The store shall retain a copy of every advertisement and circular issued during the test
118 period, circling each item used in daily self-audits. If there are no advertised items on a
119 particular day, any randomly selected item may be used for the test. In cases where a scanner
120 cannot be made to print a correct price label, the store shall note the failure in the book and
121 record the action taken to correct the problem;

122 Consumer education: Each participating store shall post a sign at each store entrance noting their
123 participation in the pilot program, and shall make available at each checkout register and at a
124 customer service desk an informative brochure approved by the Division with the advice and
125 counsel of the Retail Store Pricing Reform Study Commission describing the pilot program,
126 alerting shoppers to any new signage, explaining the use of printing self-service price check
127 scanners, and providing full contact information for the Division to receive feedback and
128 complaints about the pilot;

129 The Retailers Association of Massachusetts shall conduct and pay for, directly or indirectly, a
130 professional market research survey of consumer attitudes about item pricing, the removal of
131 price stickers, and the use of printing, self-service price check scanners both before and after the
132 pilot among shoppers at a scientific sampling of test stores. Such surveys shall be conducted in
133 accordance with accepted survey standards and techniques. A final report of both surveys
134 prepared by the professional market research company shall be submitted to the Joint Committee
135 on Community Development and Small Business and the Retail Store Pricing Reform Study
136 Commission; and

137 The Director shall submit a report on said pilot program within 45 days after the conclusion of
138 the test and the surveys to the Joint Committee on Community Development and Small Business,
139 the House Committee on Ways and Means, the Senate Committee on Ways and Means and the
140 Retail Store Pricing Reform Study Commission.

141 SECTION 7. There is hereby created a Retail Store Pricing Reform Study Commission
142 comprised of the chairs and ranking minority members of the Joint Committee on Community
143 Development and Small Business, and one representative from each of the following entities: the
144 Office of Consumer Affairs and Business Regulation, the Office of the Attorney General, the
145 Retailers Association of Massachusetts, the Massachusetts Consumers Coalition, the United
146 Food and Commercial Workers union local 1445, the United Food and Commercial Workers
147 union local 791, the Massachusetts Food Association, and two Massachusetts based and owned
148 retail companies appointed by the co-Chairs of the Committee on Community Development and
149 Small Business. The Commission shall meet to review existing laws in Massachusetts and
150 elsewhere pertaining to retail pricing accuracy and disclosure, and shall make recommendations
151 on reform legislation to streamline duplicative pricing laws, while best protecting consumers for
152 cost, service, disclosure and accuracy, and small businesses from unnecessary regulation and
153 costs. The Commission shall report to the Joint Committee on Small Business and Community
154 Development by April 30, 2010.