

DEPARTMENT OF FOOD AND

A.G. KAWAMURA, Secretary

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DMS NOTICE
QC -07-02



September 20, 2007

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TO WEIGHTS AND MEASURES OFFICIALS

**SUBJECT: Application of Business and Professions Code 13300
Customer Display and Indicator Requirements**

On January 1, 2007, Section 13300 of the Business and Professions Code was amended, the effect of which changed the customer display requirements for automatic checkout systems. Section 13300(b) no longer specifies that code or tag information be on, or attached to, the item to be purchased and as a result would apply to any database of prices used to determine the price of items being purchased by the customer. This language now clearly includes certain business models that were once excluded, but it takes careful reading to determine that others are still excluded.

It is unclear if two types of business are now included; fast food restaurants and service parts counters. There may be more and the following will be helpful in deciding if a system is covered by the statute.

Because subsection (a) only applies to point-of-sale systems that are at checkout locations, it is our opinion that for a system to be covered by the statute two conditions must apply.

- The system in question is a "point-of-sale-system" as defined in subsection (b) and
- The customer is at the point where they are entering into a transaction to purchase an item at the checkout location.

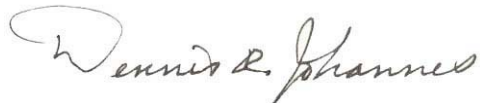
We interpret "checkout location" to be any location where an actual transaction will be processed and the customer charged for the items purchased. Therefore the typical "fast food" restaurant, using icons or codes to retrieve prices, fits the description for systems used to charge walk-up customers, but may not fit the description for drive through customers if the order was placed and the price was determined before reaching the drive-through "checkout location" window.

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Another common question is whether a service parts counter requires a customer display when the clerk retrieves stored information about the correct part and its associated price, which is later separately charged at a check stand in the store. While the parts computer in this example clearly meets the definition of a "point-of-sale indicator" as described in subsection (a), if payment is not made at this location, prices need not be displayed. The separate check stand where the customer pays for parts and any other items on display in the store would constitute a "checkout location" and, if prices are pulled from storage by entering or reading a transaction code, stock number, bar code, etc., the check stand system would be a point-of-sale system that must meet the requirements in subsection (a).

If you have questions or comments, please contact Ken Lake, Program Supervisor at (916) 229-3047 or klake@cdfa.ca.gov.

Sincerely,

A handwritten signature in cursive script that reads "Dennis R. Johannes". The signature is written in black ink and is positioned above the typed name.

Dennis R. Johannes
Director

cc: Kevin Masuhara, Director, County Liaison Office