

**SUBSTITUTE FOR
HOUSE BILL NO. 4658**

A bill to amend 1976 PA 331, entitled
"Michigan consumer protection act,"
by amending section 3 (MCL 445.903), as amended by 2018 PA 211, and
by adding section 31.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) Unfair, unconscionable, or deceptive methods,
2 acts, or practices in the conduct of trade or commerce are unlawful
3 and are defined as follows:

4 (a) Causing a probability of confusion or misunderstanding as
5 to the source, sponsorship, approval, or certification of goods or
6 services.

7 (b) Using deceptive representations or deceptive designations
8 of geographic origin in connection with goods or services.



1 (c) Representing that goods or services have sponsorship,
2 approval, characteristics, ingredients, uses, benefits, or
3 quantities that they do not have or that a person has sponsorship,
4 approval, status, affiliation, or connection that he or she does
5 not have.

6 (d) Representing that goods are new if they are deteriorated,
7 altered, reconditioned, used, or secondhand.

8 (e) Representing that goods or services are of a particular
9 standard, quality, or grade, or that goods are of a particular
10 style or model, if they are of another.

11 (f) Disparaging the goods, services, business, or reputation
12 of another by false or misleading representation of fact.

13 (g) Advertising or representing goods or services with intent
14 not to dispose of those goods or services as advertised or
15 represented.

16 (h) Advertising goods or services with intent not to supply
17 reasonably expectable public demand, unless the advertisement
18 discloses a limitation of quantity in immediate conjunction with
19 the advertised goods or services.

20 (i) Making false or misleading statements of fact concerning
21 the reasons for, existence of, or amounts of price reductions.

22 (j) Representing that a part, replacement, or repair service
23 is needed when it is not.

24 (k) Representing to a party to whom goods or services are
25 supplied that the goods or services are being supplied in response
26 to a request made by or on behalf of the party, when they are not.

27 (l) Misrepresenting that because of some defect in a consumer's
28 home the health, safety, or lives of the consumer or his or her
29 family are in danger if the product or services are not purchased,



1 when in fact the defect does not exist or the product or services
2 would not remove the danger.

3 (m) Causing a probability of confusion or of misunderstanding
4 with respect to the authority of a salesperson, representative, or
5 agent to negotiate the final terms of a transaction.

6 (n) Causing a probability of confusion or of misunderstanding
7 as to the legal rights, obligations, or remedies of a party to a
8 transaction.

9 (o) Causing a probability of confusion or of misunderstanding
10 as to the terms or conditions of credit if credit is extended in a
11 transaction.

12 (p) Disclaiming or limiting the implied warranty of
13 merchantability and fitness for use, unless a disclaimer is clearly
14 and conspicuously disclosed.

15 (q) Representing or implying that the subject of a consumer
16 transaction will be provided promptly, or at a specified time, or
17 within a reasonable time, if the merchant knows or has reason to
18 know it will not be so provided.

19 (r) Representing that a consumer will receive goods or
20 services "free" or "without charge", or using words of similar
21 import in the representation, without clearly and conspicuously
22 disclosing with equal prominence in immediate conjunction with the
23 use of those words the conditions, terms, or prerequisites to the
24 use or retention of the goods or services advertised.

25 (s) Failing to reveal a material fact, the omission of which
26 tends to mislead or deceive the consumer, and which fact could not
27 reasonably be known by the consumer.

28 (t) Entering into a consumer transaction in which the consumer
29 waives or purports to waive a right, benefit, or immunity provided



1 by law, unless the waiver is clearly stated and the consumer has
2 specifically consented to it.

3 (u) Failing, in a consumer transaction that is rescinded,
4 canceled, or otherwise terminated in accordance with the terms of
5 an agreement, advertisement, representation, or provision of law,
6 to promptly restore to the person or persons entitled to it a
7 deposit, down payment, or other payment, or in the case of property
8 traded in but not available, the greater of the agreed value or the
9 fair market value of the property, or to cancel within a specified
10 time or an otherwise reasonable time an acquired security interest.

11 (v) Taking or arranging for the consumer to sign an
12 acknowledgment, certificate, or other writing affirming acceptance,
13 delivery, compliance with a requirement of law, or other
14 performance, if the merchant knows or has reason to know that the
15 statement is not true.

16 (w) Representing that a consumer will receive a rebate,
17 discount, or other benefit as an inducement for entering into a
18 transaction, if the benefit is contingent on an event to occur
19 subsequent to the consummation of the transaction.

20 (x) Taking advantage of the consumer's inability reasonably to
21 protect his or her interests by reason of disability, illiteracy,
22 or inability to understand the language of an agreement presented
23 by the other party to the transaction who knows or reasonably
24 should know of the consumer's inability.

25 (y) Gross discrepancies between the oral representations of
26 the seller and the written agreement covering the same transaction
27 or failure of the other party to the transaction to provide the
28 promised benefits.

29 (z) Charging the consumer a price that is grossly in excess of



1 the price at which similar property or services are sold.

2 (aa) Causing coercion and duress as the result of the time and
3 nature of a sales presentation.

4 (bb) Making a representation of fact or statement of fact
5 material to the transaction such that a person reasonably believes
6 the represented or suggested state of affairs to be other than it
7 actually is.

8 (cc) Failing to reveal facts that are material to the
9 transaction in light of representations of fact made in a positive
10 manner.

11 (dd) Subject to subdivision (ee), representations by the
12 manufacturer of a product or package that the product or package is
13 1 or more of the following:

14 (i) Except as provided in subparagraph (ii), recycled,
15 recyclable, degradable, or is of a certain recycled content, in
16 violation of guides for the use of environmental marketing claims,
17 16 CFR part 260.

18 (ii) For container holding devices regulated under part 163 of
19 the natural resources and environmental protection act, 1994 PA
20 451, MCL 324.16301 to 324.16303, representations by a manufacturer
21 that the container holding device is degradable contrary to the
22 definition provided in that act.

23 (ee) Representing that a product or package is degradable,
24 biodegradable, or photodegradable unless it can be substantiated by
25 evidence that the product or package will completely decompose into
26 elements found in nature within a reasonably short period of time
27 after consumers use the product and dispose of the product or the
28 package in a landfill or composting facility, as appropriate.

29 (ff) Offering a consumer a prize if in order to claim the



1 prize the consumer is required to submit to a sales presentation,
2 unless a written disclosure is given to the consumer at the time
3 the consumer is notified of the prize and the written disclosure
4 meets all of the following requirements:

5 (i) Is written or printed in a bold type that is not smaller
6 than 10-point.

7 (ii) Fully describes the prize, including its cash value, won
8 by the consumer.

9 (iii) Contains all the terms and conditions for claiming the
10 prize, including a statement that the consumer is required to
11 submit to a sales presentation.

12 (iv) Fully describes the product, real estate, investment,
13 service, membership, or other item that is or will be offered for
14 sale, including the price of the least expensive item and the most
15 expensive item.

16 (gg) Violating 1971 PA 227, MCL 445.111 to 445.117, in
17 connection with a home solicitation sale or telephone solicitation,
18 including, but not limited to, having an independent courier
19 service or other third party pick up a consumer's payment on a home
20 solicitation sale during the period the consumer is entitled to
21 cancel the sale.

22 (hh) Except as provided in subsection (3), requiring a
23 consumer to disclose his or her Social Security number as a
24 condition to selling or leasing goods or providing a service to the
25 consumer, unless any of the following apply:

26 (i) The selling, leasing, providing, terms of payment, or
27 transaction includes an application for or an extension of credit
28 to the consumer.

29 (ii) The disclosure is required or authorized by applicable



1 state or federal statute, rule, or regulation.

2 (iii) The disclosure is requested by a person to obtain a
3 consumer report for a permissible purpose described in section 604
4 of the fair credit reporting act, 15 USC 1681b.

5 (iv) The disclosure is requested by a landlord, lessor, or
6 property manager to obtain a background check of the individual in
7 conjunction with the rent or leasing of real property.

8 (v) The disclosure is requested from an individual to effect,
9 administer or enforce a specific telephonic or other electronic
10 consumer transaction that is not made in person but is requested or
11 authorized by the individual if it is to be used solely to confirm
12 the identity of the individual through a fraud prevention service
13 database. The consumer good or service shall still be provided to
14 the consumer upon verification of his or her identity if he or she
15 refuses to provide his or her Social Security number but provides
16 other information or documentation that can be used by the person
17 to verify his or her identity. The person may inform the consumer
18 that verification through other means than use of the Social
19 Security number may cause a delay in providing the service or good
20 to the consumer.

21 (ii) If a credit card or debit card is used for payment in a
22 consumer transaction, issuing or delivering a receipt to the
23 consumer that displays any part of the expiration date of the card
24 or more than the last 4 digits of the consumer's account number.
25 This subdivision does not apply if the only receipt issued in a
26 consumer transaction is a credit card or debit card receipt on
27 which the account number or expiration date is handwritten,
28 mechanically imprinted, or photocopied. This subdivision applies to
29 any consumer transaction that occurs on or after March 1, 2005,



1 except that if a credit or debit card receipt is printed in a
2 consumer transaction by an electronic device, this subdivision
3 applies to any consumer transaction that occurs using that device
4 only after 1 of the following dates, as applicable:

5 (i) If the electronic device is placed in service after March
6 1, 2005, July 1, 2005 or the date the device is placed in service,
7 whichever is later.

8 (ii) If the electronic device is in service on or before March
9 1, 2005, July 1, 2006.

10 (jj) Violating section 11 of the identity theft protection
11 act, 2004 PA 452, MCL 445.71.

12 (kk) Advertising or conducting a live musical performance or
13 production in this state through the use of a false, deceptive, or
14 misleading affiliation, connection, or association between a
15 performing group and a recording group. This subdivision does not
16 apply if any of the following are met:

17 (i) The performing group is the authorized registrant and owner
18 of a federal service mark for that group registered in the United
19 States Patent and Trademark Office.

20 (ii) At least 1 member of the performing group was a member of
21 the recording group and has a legal right to use the recording
22 group's name, by virtue of use or operation under the recording
23 group's name without having abandoned the name or affiliation with
24 the recording group.

25 (iii) The live musical performance or production is identified
26 in all advertising and promotion as a salute or tribute and the
27 name of the vocal or instrumental group performing is not so
28 closely related or similar to that used by the recording group that
29 it would tend to confuse or mislead the public.



1 (iv) The advertising does not relate to a live musical
2 performance or production taking place in this state.

3 (v) The performance or production is expressly authorized by
4 the recording group.

5 (ll) Violating section 3e, 3f, 3g, 3h, 3i, ~~or 3k~~, or 3l.

6 (2) The attorney general may promulgate rules to implement
7 this act under the administrative procedures act of 1969, 1969 PA
8 306, MCL 24.201 to 24.328. The rules shall not create an additional
9 unfair trade practice not already enumerated by this section.
10 However, to assure national uniformity, rules shall not be
11 promulgated to implement subsection (1)(dd) or (ee).

12 (3) Subsection (1)(hh) does not apply to either of the
13 following:

14 (a) Providing a service related to the administration of
15 health-related or dental-related benefits or services to patients,
16 including provider contracting or credentialing. This subdivision
17 is intended to limit the application of subsection (1)(hh) and is
18 not intended to imply that this act would otherwise apply to
19 health-related or dental-related benefits.

20 (b) An employer providing benefits or services to an employee.

21 **Sec. 3l. (1) A person that is engaged in trade or commerce**
22 **shall not scan the machine-readable zone of an individual's state-**
23 **issued identification, except that the person may scan the machine-**
24 **readable zone for an authorized purpose described in subsection**
25 **(5) (a) (i) to (viii) .**

26 (2) A person that is engaged in trade or commerce shall not
27 retain any information obtained from a scan of the machine-readable
28 zone of an individual's state-issued identification, except that
29 the person may retain the information for an authorized purpose



1 described in subsection (5) (a) (iii) to (viii) .

2 (3) A person that is engaged in trade or commerce shall not
3 sell or disseminate to a third party any information obtained from
4 a scan of the machine-readable zone of an individual's state-issued
5 identification for any marketing, advertising, or promotional
6 purpose, except that the person may disseminate the information for
7 an authorized purpose described in subsection (5) (a) (iii) to (viii) .

8 (4) Any waiver of a provision of this section is contrary to
9 public policy and is void and unenforceable.

10 (5) As used in this section:

11 (a) "Authorized purpose" means any of the following purposes,
12 as applicable:

13 (i) To verify the authenticity of an individual's state-issued
14 identification or to verify the identity of the individual if the
15 individual pays for goods or services with a method other than
16 cash, returns an item, or requests a refund or an exchange.

17 (ii) To verify an individual's age when providing age-
18 restricted goods or services to the individual.

19 (iii) To prevent fraud or other criminal activity if the
20 individual returns an item, or requests a refund for or an exchange
21 of an item, and the person that sold the item uses a fraud
22 prevention service company or system. However, a purpose described
23 in this subparagraph is an authorized purpose only if the
24 information collected by scanning the state-issued identification
25 is limited to the individual's name, address, or date of birth or
26 the number of the state-issued identification.

27 (iv) To comply with a requirement imposed on the person that is
28 engaged in trade or commerce under local, state, or federal law.

29 (v) To provide to a check services company regulated under the



1 fair credit reporting act, 15 USC 1681 to 1681x, that receives
2 information obtained from an individual's state-issued
3 identification to administer or enforce a transaction or to prevent
4 fraud or other criminal activity.

5 (vi) To complete a transaction permitted under subtitle A of
6 title V of the Gramm-Leach-Bliley act, 15 USC 6801 to 6809, or the
7 fair credit reporting act, 15 USC 1681 to 1681x.

8 (vii) To record, retain, or transmit information by a covered
9 entity governed by the medical privacy and security rules as
10 required under the health insurance portability and accountability
11 act of 1996, Public Law 104-191, and regulations promulgated under
12 that act, 45 CFR parts 160 and 164.

13 (viii) To facilitate participation in a service in which an
14 individual enters into a valid contract that delineates what the
15 individual is permitted to do and requires that information from
16 the individual's state-issued identification be provided, retained,
17 or disseminated, which may include services related to travel,
18 venue access, health status, or age verification.

19 (b) "State-issued identification" means a standard driver
20 license, standard official state personal identification card,
21 enhanced driver license, or enhanced official state personal
22 identification card, as those terms are defined in section 2 of the
23 enhanced driver license and enhanced official state personal
24 identification card act, 2008 PA 23, MCL 28.302.

25 Enacting section 1. This amendatory act takes effect 90 days
26 after the date it is enacted into law.

