

SUBSTITUTE FOR
HOUSE BILL NO. 5520

A bill to regulate certain persons engaged in business as travel promoters; and to provide for certain remedies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "travel promotion act".

3 Sec. 3. As used in this act:

4 (a) "Advertise" means to make any representation in the
5 solicitation of potential customers.

6 (b) "Customer" means a person who gives money or other con-
7 sideration, or on whose behalf money or other consideration is
8 given, to a travel promoter for transportation or
9 transportation-related services.

10 (c) "Person" means an individual, sole proprietorship,
11 partnership, firm, corporation, or other legal entity.

1 (d) "Ticket" means a writing, or combination of writings,
2 that entitles the holder to obtain transportation or
3 transportation-related services.

4 (e) "Transportation" means the conveyance of individuals by
5 air, sea, rail, or bus or by any other means on a foreign or
6 domestic carrier.

7 (f) "Transportation-related services" means services reason-
8 ably related to transportation including, but not limited to,
9 transfers, sightseeing tours, meals, and lodging.

10 (g) "Travel promoter" means a person doing business in this
11 state that is primarily engaged in the sale of transportation or
12 transportation-related services and does 1 or more of the
13 following:

14 (i) Solicits the purchase of transportation or
15 transportation-related services.

16 (ii) Issues or delivers a ticket representing the sale of
17 transportation or transportation-related services.

18 (iii) Collects from a customer a payment, charge, deposit,
19 or any other consideration for the sale of transportation or
20 transportation-related services.

21 Sec. 5. A person shall not engage in, attempt to engage in,
22 or advertise as being engaged in the business of being a travel
23 promoter unless the person has 1 or more of the following:

24 (a) Insurance coverage for errors and omissions at a minimum
25 of \$1,000,000.00 by an insurer authorized by the commissioner of
26 insurance to do business in this state.

1 (b) A surety bond or letter of credit in the amount of at
2 least \$10,000.00 payable to customers of the travel promoter.

3 (c) Proof of accreditation in the airline reporting corpora-
4 tion at the time payment was received for transportation or
5 transportation-related services. Accreditation in the airline
6 reporting corporation demonstrates compliance with this section
7 only so long as accreditation in that organization requires bond-
8 ing equal to or exceeding that bonding required by subdivision
9 (b).

10 (d) An escrow fund for money received from a customer as
11 more fully described in section 7.

12 Sec. 7. (1) A travel promoter that does not provide 1 of
13 the security devices described in section 5(a) through (c) shall
14 immediately deposit 90% of all money received from a customer for
15 payment of transportation or transportation-related services into
16 an escrow account in a federally insured depository institution.
17 The travel promoter shall not encumber this account in any
18 manner.

19 (2) A travel promoter may withdraw money from the escrow
20 account only for 1 or more of the following reasons:

21 (a) Partial or full payment of transportation or
22 transportation-related services for a customer.

23 (b) A refund as required by section 9 or pursuant to the
24 contract between the travel promoter and a customer.

25 (c) On a monthly basis, interest earned on the escrow
26 account.

1 Sec. 9. (1) A travel promoter shall post clearly and
2 conspicuously on a wall or other location to which the customer
3 is exposed a handwritten, typed, or computer-generated statement
4 or sign, not smaller than 8-1/2 inches by 11 inches, clearly and
5 conspicuously setting forth the Michigan travel disclosures
6 described in subsection (2).

7 (2) The disclosures shall be as follows:

8 "MICHIGAN TRAVEL DISCLOSURES

9 Be aware of travel offers that sound "too good to be true",
10 especially if you have been solicited by telephone or received a
11 postcard or certificate in the mail.

12 Do not give your credit card number or any information about
13 bank accounts prior to making travel decisions. Never give a
14 courier a cashier's check or money order in exchange for informa-
15 tion about a travel package.

16 Get the complete details in writing about any trip prior to
17 payment. These details should include the total cost (including
18 taxes, port charges, service fees, and surcharges), terms and
19 conditions, restrictions, cancellation penalties, if any, and
20 specific information about all components of the package.

21 Leave high-pressure sales presentations which do not allow
22 time for evaluation of the offer or which require disclosure of
23 your income.

24 Be wary of companies that require you to wait at least 60
25 days before taking the trip or require you to select several
26 dates of departure for the trip.

1 Be fully informed of the need and reason for additional trip
2 insurance coverage.

3 If considering a tour package, ask if the tour operator is
4 part of a consumer protection plan or bond program that would
5 protect your payment in the case of the tour company's closing.

6 Keep all receipts and documents needed to report a problem.

7 In the event of a problem or cancellation due to the tour
8 operator or travel agent, you may wish to contact the Michigan
9 Better Business Bureau, the Consumer Affairs Department at the
10 Attorney General's office, or an accredited national travel asso-
11 ciation or organization.

12 You may have a legal right to sue under the travel promotion
13 act and the Michigan consumer protection act.".

14 (3) Before the receipt of money or other valuable considera-
15 tion from a customer for transportation or transportation-related
16 services and at the first personal or telephonic interaction
17 between the travel promoter and the customer, a travel promoter
18 may provide or send to the customer a written statement on 8-1/2
19 by 11-inch paper clearly and conspicuously setting forth the dis-
20 closures described in subsection (2).

21 Sec. 11. A violation of this act by a person subject to
22 this act is considered a method, act, or practice in the conduct
23 of trade or commerce which is unfair, unconscionable, or decep-
24 tive as defined by section 3 of the Michigan consumer protection
25 act, 1976 PA 331, MCL 445.903.

26 Enacting section 1. This act does not take effect unless
27 House Bill No. 5521 of the 89th Legislature is enacted into law.