

# HOUSE BILL No. 5679

May 24, 2016, Introduced by Rep. Glenn and referred to the Committee on Commerce and Trade.

A bill to amend 1976 PA 331, entitled "Michigan consumer protection act," by amending section 3 (MCL 445.903), as amended by 2010 PA 195, and by adding section 3j.

**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.

9           (c) Representing that goods or services have sponsorship,  
10 approval, characteristics, ingredients, uses, benefits, or

1 quantities that they do not have or that a person has sponsorship,  
2 approval, status, affiliation, or connection that he or she does  
3 not have.

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

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

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

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

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

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

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

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

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

1 purchased, when in fact the defect does not exist or the product or  
2 services 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.

1           (t) Entering into a consumer transaction in which the consumer  
2 waives or purports to waive a right, benefit, or immunity provided  
3 by law, unless the waiver is clearly stated and the consumer has  
4 specifically consented to it.

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

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

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

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

27           (y) Gross discrepancies between the oral representations of

1 the seller and the written agreement covering the same transaction  
2 or failure of the other party to the transaction to provide the  
3 promised benefits.

4 (z) Charging the consumer a price that is grossly in excess of  
5 the price at which similar property or services are sold.

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

8 (bb) Making a representation of fact or statement of fact  
9 material to the transaction such that a person reasonably believes  
10 the represented or suggested state of affairs to be other than it  
11 actually is.

12 (cc) Failing to reveal facts that are material to the  
13 transaction in light of representations of fact made in a positive  
14 manner.

15 (dd) Subject to subdivision (ee), representations by the  
16 manufacturer of a product or package that the product or package is  
17 1 or more of the following:

18 (i) Except as provided in subparagraph (ii), recycled,  
19 recyclable, degradable, or is of a certain recycled content, in  
20 violation of guides for the use of environmental marketing claims,  
21 16 CFR part 260.

22 (ii) For container holding devices regulated under part 163 of  
23 the natural resources and environmental protection act, 1994 PA  
24 451, MCL 324.16301 to 324.16303, representations by a manufacturer  
25 that the container holding device is degradable contrary to the  
26 definition provided in that act.

27 (ee) Representing that a product or package is degradable,

1 biodegradable, or photodegradable unless it can be substantiated by  
2 evidence that the product or package will completely decompose into  
3 elements found in nature within a reasonably short period of time  
4 after consumers use the product and dispose of the product or the  
5 package in a landfill or composting facility, as appropriate.

6 (ff) Offering a consumer a prize if in order to claim the  
7 prize the consumer is required to submit to a sales presentation,  
8 unless a written disclosure is given to the consumer at the time  
9 the consumer is notified of the prize and the written disclosure  
10 meets all of the following requirements:

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

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

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

18 (iv) Fully describes the product, real estate, investment,  
19 service, membership, or other item that is or will be offered for  
20 sale, including the price of the least expensive item and the most  
21 expensive item.

22 (gg) Violating 1971 PA 227, MCL 445.111 to 445.117, in  
23 connection with a home solicitation sale or telephone solicitation,  
24 including, but not limited to, having an independent courier  
25 service or other third party pick up a consumer's payment on a home  
26 solicitation sale during the period the consumer is entitled to  
27 cancel the sale.

1 (hh) Except as provided in subsection (3), requiring a  
2 consumer to disclose his or her social security number as a  
3 condition to selling or leasing goods or providing a service to the  
4 consumer, unless any of the following apply:

5 (i) The selling, leasing, providing, terms of payment, or  
6 transaction includes an application for or an extension of credit  
7 to the consumer.

8 (ii) The disclosure is required or authorized by applicable  
9 state or federal statute, rule, or regulation.

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

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

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

1 to the consumer.

2 (ii) If a credit card or debit card is used for payment in a  
3 consumer transaction, issuing or delivering a receipt to the  
4 consumer that displays any part of the expiration date of the card  
5 or more than the last 4 digits of the consumer's account number.  
6 This subdivision does not apply if the only receipt issued in a  
7 consumer transaction is a credit card or debit card receipt on  
8 which the account number or expiration date is handwritten,  
9 mechanically imprinted, or photocopied. This subdivision applies to  
10 any consumer transaction that occurs on or after March 1, 2005,  
11 except that if a credit or debit card receipt is printed in a  
12 consumer transaction by an electronic device, this subdivision  
13 applies to any consumer transaction that occurs using that device  
14 only after 1 of the following dates, as applicable:

15 (i) If the electronic device is placed in service after March  
16 1, 2005, July 1, 2005 or the date the device is placed in service,  
17 whichever is later.

18 (ii) If the electronic device is in service on or before March  
19 1, 2005, July 1, 2006.

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

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

27 (i) The performing group is the authorized registrant and



1 owner of a federal service mark for that group registered in the  
2 United States ~~patent and trademark office.~~ **PATENT AND TRADEMARK**  
3 **OFFICE.**

4 (ii) At least 1 member of the performing group was a member of  
5 the recording group and has a legal right to use the recording  
6 group's name, by virtue of use or operation under the recording  
7 group's name without having abandoned the name or affiliation with  
8 the recording group.

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

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

16 (v) The performance or production is expressly authorized by  
17 the recording group.

18 (ll) Violating section 3e, 3f, 3g, 3h, ~~or~~ 3i, **OR 3J.**

19 (2) The attorney general may promulgate rules to implement  
20 this act under the administrative procedures act of 1969, 1969 PA  
21 306, MCL 24.201 to 24.328. The rules shall not create an additional  
22 unfair trade practice not already enumerated by this section.  
23 However, to assure national uniformity, rules shall not be  
24 promulgated to implement subsection (1)(dd) or (ee).

25 (3) Subsection (1)(hh) does not apply to either of the  
26 following:

27 (a) Providing a service related to the administration of

1 health-related or dental-related benefits or services to patients,  
2 including provider contracting or credentialing. This subdivision  
3 is intended to limit the application of subsection (1)(hh) and is  
4 not intended to imply that this act would otherwise apply to  
5 health-related or dental-related benefits.

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

7 **SEC. 3J. (1) ALL OF THE FOLLOWING APPLY IF A PERSON THAT IS**  
8 **ENGAGED IN THE RETAIL SALE OF GOODS OR SERVICES SELLS A HOUSEHOLD**  
9 **APPLIANCE TO A CONSUMER:**

10 (A) AT THE TIME OF SALE, THE PERSON SHALL OBTAIN THE NAME,  
11 ADDRESS, AND TELEPHONE NUMBER OF THE CONSUMER, SOLELY FOR USE IN  
12 CONTACTING THE CONSUMER IF THERE IS A PRODUCT RECALL OF THE  
13 HOUSEHOLD APPLIANCE BY THE UNITED STATES CONSUMER PRODUCT SAFETY  
14 COMMISSION. HOWEVER, A CONSUMER MAY REFUSE TO PROVIDE THE  
15 INFORMATION DESCRIBED IN THIS SUBDIVISION, AND SUBDIVISION (B) AND  
16 SUBSECTION (2) DO NOT APPLY IF THE CONSUMER REFUSES TO PROVIDE THAT  
17 INFORMATION.

18 (B) THE PERSON SHALL FORWARD THE INFORMATION OBTAINED UNDER  
19 SUBDIVISION (A) TO THE MANUFACTURER OF THE HOUSEHOLD APPLIANCE, AND  
20 SHALL NOT USE ANY OF THE INFORMATION OBTAINED UNDER SUBDIVISION (A)  
21 FOR ANY OTHER PURPOSE.

22 (2) ALL OF THE FOLLOWING APPLY TO THE MANUFACTURER OF A  
23 HOUSEHOLD APPLIANCE THAT RECEIVES INFORMATION ABOUT A CONSUMER WHO  
24 PURCHASED A HOUSEHOLD APPLIANCE UNDER SUBSECTION (1)(B):

25 (A) THE MANUFACTURER SHALL RETAIN THE INFORMATION, SOLELY FOR  
26 USE IN CONTACTING THE CONSUMER IF THERE IS A PRODUCT RECALL OF THE  
27 HOUSEHOLD APPLIANCE BY THE UNITED STATES CONSUMER PRODUCT SAFETY

1 COMMISSION.

2 (B) IF THERE IS A PRODUCT RECALL OF A HOUSEHOLD APPLIANCE  
3 MANUFACTURED BY THE MANUFACTURER BY THE UNITED STATES CONSUMER  
4 PRODUCT SAFETY COMMISSION, THE MANUFACTURER SHALL NOTIFY EACH  
5 CONSUMER WHO HAS PURCHASED THAT HOUSEHOLD APPLIANCE ABOUT THE  
6 PRODUCT RECALL.

7 (C) THE MANUFACTURER SHALL NOT USE ANY OF THE INFORMATION  
8 ABOUT A CONSUMER THAT IT RECEIVES AND RETAINS UNDER THIS SUBSECTION  
9 FOR ANY OTHER PURPOSE THAN NOTIFYING THE CONSUMER ABOUT PRODUCT  
10 RECALLS UNDER SUBDIVISION (B).

11 (3) IF THE UNITED STATES CONSUMER PRODUCT SAFETY COMMISSION  
12 ISSUES A PRODUCT RECALL OF A HOUSEHOLD APPLIANCE BEFORE OR WITHIN 3  
13 YEARS AFTER THE DATE THE HOUSEHOLD APPLIANCE IS PURCHASED, THE  
14 MANUFACTURER OF THAT HOUSEHOLD APPLIANCE SHALL REPAIR THE DEFECT  
15 FOR WHICH THE PRODUCT RECALL IS ISSUED, WITHOUT CHARGE TO THE OWNER  
16 OF THE HOUSEHOLD APPLIANCE.

17 (4) AS USED IN THIS SECTION, "HOUSEHOLD APPLIANCE" MEANS ANY  
18 GAS OR ELECTRIC APPLIANCE THAT IS USED IN THE HOME, INCLUDING, BUT  
19 NOT LIMITED TO, A STOVE, HEATING DEVICE, COOKING DEVICE,  
20 REFRIGERATOR, AIR CONDITIONER, VACUUM CLEANER, ELECTRIC FAN, CLOCK,  
21 RADIO, TOASTER, IRON, TELEVISION SET, WASHING MACHINE, DRYER, OR  
22 DISHWASHER.

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