

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4918

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 3k.

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~~ **SOCIAL SECURITY**
3 number as a condition to selling or leasing goods or providing a
4 service to the 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~~ **SOCIAL SECURITY**
24 number but provides other information or documentation that can be
25 used by the person to verify his or her identity. The person may
26 inform the consumer that verification through other means than use
27 of the ~~social security~~ **SOCIAL SECURITY** number may cause a delay in

1 providing the service or good 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~~**PATENT** and ~~trademark office~~**TRADEMARK OFFICE**.

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

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

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

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

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

18 (2) The attorney general may promulgate rules to implement
19 this act under the administrative procedures act of 1969, 1969 PA
20 306, MCL 24.201 to 24.328. The rules shall not create an additional
21 unfair trade practice not already enumerated by this section.

22 However, to assure national uniformity, rules shall not be
23 promulgated to implement subsection (1)(dd) or (ee).

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

26 (a) Providing a service related to the administration of
27 health-related or dental-related benefits or services to patients,

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

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

6 SEC. 3K. (1) A PERSON THAT IS ENGAGED IN TRADE OR COMMERCE
7 SHALL NOT ENGAGE IN ANY OF THE FOLLOWING ACTS OR PRACTICES:

8 (A) PROVIDING, OR OFFERING TO PROVIDE, A VETERANS' BENEFIT
9 SERVICE TO A VETERAN OR FAMILY MEMBER OF A VETERAN UNLESS THE
10 PERSON IS ANY OF THE FOLLOWING:

11 (i) EMPLOYED BY A GOVERNMENT AGENCY THAT IS AUTHORIZED TO
12 PROVIDE THE VETERANS' BENEFIT SERVICE.

13 (ii) AN ACCREDITED INDIVIDUAL UNDER THE FEDERAL LAWS AND
14 REGULATIONS APPLICABLE TO THE ADMINISTRATION OF VETERANS' BENEFITS.

15 (iii) AN EMPLOYEE OR AUTHORIZED REPRESENTATIVE OF A RECOGNIZED
16 VETERANS' SERVICES ORGANIZATION.

17 (B) RECEIVING COMPENSATION FOR PROVIDING OR OFFERING TO
18 PROVIDE A VETERANS' BENEFIT SERVICE TO A VETERAN OR FAMILY MEMBER
19 OF A VETERAN UNLESS ALL OF THE FOLLOWING ARE MET:

20 (i) THE PERSON IS PERMITTED TO RECEIVE COMPENSATION FOR
21 PROVIDING OR OFFERING TO PROVIDE THAT SERVICE TO THE VETERAN OR
22 FAMILY MEMBER UNDER THE FEDERAL LAWS AND REGULATIONS APPLICABLE TO
23 THE ADMINISTRATION OF VETERANS' BENEFITS.

24 (ii) BEFORE PROVIDING OR OFFERING TO PROVIDE THAT SERVICE, THE
25 PERSON DISCLOSES ALL OF THE FOLLOWING TO THE VETERAN OR FAMILY
26 MEMBER:

27 (A) THAT THE PERSON IS NOT AFFILIATED WITH A GOVERNMENT AGENCY

1 OR RECOGNIZED VETERANS' SERVICES ORGANIZATION.

2 (B) IF APPLICABLE, THAT THE VETERANS' BENEFIT SERVICE IS
3 AVAILABLE FREE OF CHARGE FROM A GOVERNMENT AGENCY OR RECOGNIZED
4 VETERANS' SERVICES ORGANIZATION.

5 (C) THAT THE VETERAN MAY QUALIFY FOR BENEFITS OTHER THAN OR IN
6 ADDITION TO THE BENEFITS THE VETERAN OR FAMILY MEMBER MAY OBTAIN IF
7 THE PERSON IS ENGAGED TO PROVIDE THE VETERANS' BENEFIT SERVICE.

8 (D) THAT RECEIPT OF A CERTAIN LEVEL OF VETERANS' BENEFITS IS
9 NOT GUARANTEED IF THE PERSON IS ENGAGED TO PROVIDE THE VETERANS'
10 BENEFIT SERVICE.

11 (C) USING FINANCIAL OR OTHER PERSONAL INFORMATION GATHERED FOR
12 INSURANCE OR OTHER PURPOSES IN PROVIDING OR OFFERING TO PROVIDE A
13 VETERANS' BENEFIT SERVICE, UNLESS THE REQUIREMENTS OF THIS SECTION
14 ARE MET.

15 (D) RECEIVING COMPENSATION FOR REFERRING A VETERAN OR A FAMILY
16 MEMBER OF A VETERAN TO AN INDIVIDUAL WHO IS ACCREDITED BY THE
17 UNITED STATES DEPARTMENT OF VETERANS AFFAIRS.

18 (E) REPRESENTING, EITHER DIRECTLY OR BY IMPLICATION, EITHER
19 ORALLY OR IN WRITING, THAT THE RECEIPT OF A CERTAIN LEVEL OF
20 VETERANS' BENEFITS IS GUARANTEED.

21 (2) A PERSON ENGAGED IN TRADE OR COMMERCE SHALL NOT ADVERTISE
22 OR PROMOTE ANY EVENT, PRESENTATION, SEMINAR, WORKSHOP, OR OTHER
23 PUBLIC GATHERING REGARDING VETERANS' PENSION OR MEDICAL BENEFITS OR
24 ENTITLEMENTS THAT DOES NOT INCLUDE THE FOLLOWING DISCLOSURE: "THIS
25 EVENT IS NOT SPONSORED BY, OR AFFILIATED WITH, THE UNITED STATES
26 DEPARTMENT OF VETERANS AFFAIRS, THE MICHIGAN DEPARTMENT OF MILITARY
27 AND VETERANS AFFAIRS, THE MICHIGAN VETERANS AFFAIRS AGENCY, OR ANY

1 OTHER CONGRESSIONALLY CHARTERED OR RECOGNIZED ORGANIZATION OF
2 HONORABLY DISCHARGED MEMBERS OF THE ARMED FORCES OF THE UNITED
3 STATES OR ANY OF THEIR AUXILIARIES. PRODUCTS OR SERVICES THAT MAY
4 BE DISCUSSED AT THIS EVENT ARE NOT NECESSARILY ENDORSED BY THOSE
5 ORGANIZATIONS. YOU MAY QUALIFY FOR BENEFITS OTHER THAN OR IN
6 ADDITION TO THE BENEFITS DISCUSSED AT THIS EVENT."

7 (3) ALL OF THE FOLLOWING APPLY TO THE DISCLOSURE REQUIRED
8 UNDER SUBSECTION (2):

9 (A) THE DISCLOSURE MUST BE IN THE SAME TYPE SIZE AND FONT AS
10 THE TERM "VETERAN" OR ANY VARIATION OF THAT TERM AS USED IN THE
11 EVENT ADVERTISEMENT OR PROMOTIONAL MATERIALS.

12 (B) THE DISCLOSURE MUST BE DISSEMINATED, BOTH ORALLY AND IN
13 WRITING, AT THE BEGINNING OF ANY EVENT, PRESENTATION, SEMINAR,
14 WORKSHOP, OR OTHER PUBLIC GATHERING REGARDING VETERANS' BENEFITS OR
15 ENTITLEMENTS.

16 (C) THE DISCLOSURE DOES NOT APPLY IF THE UNITED STATES
17 DEPARTMENT OF VETERANS AFFAIRS, THE DEPARTMENT OF MILITARY AND
18 VETERANS AFFAIRS, THE MICHIGAN VETERANS AFFAIRS AGENCY, OR ANY
19 OTHER CONGRESSIONALLY CHARTERED OR RECOGNIZED ORGANIZATION OF
20 HONORABLY DISCHARGED MEMBERS OF THE ARMED FORCES OF THE UNITED
21 STATES OR ANY OF THEIR AUXILIARIES HAVE GRANTED WRITTEN PERMISSION
22 TO THE ADVERTISER OR PROMOTER FOR THE USE OF ITS NAME, SYMBOL, OR
23 INSIGNIA TO ADVERTISE OR PROMOTE EVENTS, PRESENTATIONS, SEMINARS,
24 WORKSHOPS, OR OTHER PUBLIC GATHERINGS DESCRIBED IN THIS SUBSECTION.
25 THE DISCLOSURE ALSO DOES NOT APPLY IF THE EVENT, PRESENTATION,
26 SEMINAR, WORKSHOP, OR GATHERING IS PART OF AN ACCREDITED CONTINUING
27 LEGAL EDUCATION COURSE.

1 (4) THIS SECTION DOES NOT APPLY TO OFFICERS, EMPLOYEES, OR
2 VOLUNTEERS OF THIS STATE, OF ANY COUNTY, CITY, OR OTHER POLITICAL
3 SUBDIVISION OF THIS STATE, OR OF A FEDERAL AGENCY OF THE UNITED
4 STATES, WHO ARE ACTING IN THEIR OFFICIAL CAPACITY.

5 (5) AS USED IN THIS SECTION:

6 (A) "COMPENSATION" MEANS MONEY, PROPERTY, OR ANYTHING ELSE OF
7 VALUE, INCLUDING, BUT NOT LIMITED TO, EXCLUSIVE ARRANGEMENTS OR
8 AGREEMENTS FOR THE PROVISION OF SERVICES OR THE PURCHASE OF
9 PRODUCTS.

10 (B) "RECOGNIZED VETERANS' SERVICES ORGANIZATION" MEANS A
11 VETERANS' SERVICES ORGANIZATION THAT IS RECOGNIZED UNDER THE
12 FEDERAL LAWS AND REGULATIONS APPLICABLE TO THE ADMINISTRATION OF
13 VETERANS' BENEFITS.

14 (C) "VETERANS' BENEFIT SERVICE" MEANS ANY OF THE FOLLOWING:

15 (i) THE PREPARATION, PRESENTATION, OR PROSECUTION OF A CLAIM
16 AFFECTING AN INDIVIDUAL WHO HAS FILED OR HAS EXPRESSED AN INTENTION
17 TO FILE AN APPLICATION FOR VETERAN, DEPENDENT, OR SURVIVOR PENSION
18 OR MEDICAL BENEFITS UNDER LAWS ADMINISTERED BY THE UNITED STATES
19 DEPARTMENT OF VETERANS AFFAIRS OR THE DEPARTMENT OF MILITARY AND
20 VETERANS AFFAIRS PERTAINING TO VETERANS, DEPENDENTS, AND SURVIVORS.

21 (ii) ADVICE OR REPRESENTATION CONCERNING THE PREPARATION,
22 PRESENTATION, OR PROSECUTION OF A CLAIM DESCRIBED IN SUBPARAGRAPH
23 (i).

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