

SUBSCRIPTION SERVICES

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House Bill 4702 as introduced
Sponsor: Rep. Roger Hauck
Committee: Regulatory Reform
Complete to 5-11-21

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4702 would amend the Motor Vehicle Sales Finance Act to allow a *subscription service* to be included in a vehicle installment sale contract. A licensee offering to sell a subscription service would have to provide the buyer with a subscription service disclosure before any agreement to purchase the service and obtain a signed written acknowledgment of the delivery of the disclosure from the buyer.

Subscription service would mean any technology service related to the operation of a motor vehicle or the motor vehicle financing that a buyer agrees to purchase, including autonomous vehicle software programs, navigation services, and safety services, and any data updates.

A subscription service disclosure would have to do all of the following:

- Clearly and conspicuously disclose, in 12-point type, all of the following:
 - The cost of each subscription service offered.
 - That purchase of a subscription service is optional and may be available on a month-to-month or as-needed basis at a lower cost than offered by the licensee.
 - That a buyer who elects to finance the purchase of the subscription service will incur interest charges on the cost of the service at the rate listed in the installment sale contract.
 - That, if the buyer chooses to finance the purchase of the subscription service, he or she may cancel the subscription service at any time. Cancellation of the service would not result in a reduction of the buyer's installment sale contract payment, but any refund due from the unused portion of the subscription service would have to be applied to the balance of the buyer's installment sale contract in accordance with that contract.
- Clearly and conspicuously provide, in 12-point type, a checkbox for the buyer to indicate his or her agreement to purchase the subscription service.

Further, the cash price of any subscription service would have to be included in an installment sales contract.

MCL 492.102, 492.113, and 492.118 and proposed MCL 492.112a

BACKGROUND:

The bill is a reintroduction of House Bill 6191 of the 2019-20 legislative session.

FISCAL IMPACT:

House Bill 4702 would have no fiscal impact on the state or local units of government.

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