

Senate Fiscal Agency  
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**SFA**

BILL ANALYSIS

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House Bills 4644 and 4645 (as passed by the House)  
Sponsor: Representative Paul Wojno (House Bill 4644)  
Representative Rick Johnson (House Bill 4645)  
House Committee: Insurance and Financial Services  
Senate Committee: Economic Development, International Trade and Regulatory Affairs

Date Completed: 2-15-00

### **CONTENT**

**House Bills 4644 and 4645 would amend the Michigan Consumer Protection Act and Public Act 227 of 1971 (which regulates home solicitation sales), respectively, to prohibit a seller from having an independent courier service or other third party pick up a buyer's payment before the end of the three-day period during which the buyer may cancel.** The bills are tie-barred to each other.

#### **House Bill 4644**

The Michigan Consumer Protection Act states that unfair, unconscionable, or deceptive methods, acts, or practices in the conduct of trade or commerce are unlawful, and describes activities that comprise such methods, acts, and practices. The bill would include in these activities having an independent courier service or other third party pick up a consumer's payment on a home solicitation sale during the period the consumer is entitled to cancel the sale under Public Act 227 of 1971.

#### **House Bill 4645**

Public Act 227 of 1971 provides that, in addition to any other right to revoke an offer, a buyer has the right to cancel a home solicitation sale until midnight of the third business day after the day on which the buyer signs an agreement or offer to purchase. The bill would prohibit the seller in a home solicitation sale from acquiring payment by having an independent courier service or other third party pick up the buyer's payment at his or her residence until after the buyer's right-to-revoke period had expired.

The bill also would incorporate this prohibition in the statement that must be included in the written agreement or offer to purchase that a seller must give to a buyer and have the buyer sign. Currently, the statement indicates the buyer's right to cancel the transaction within the three-day period.

(The Act defines "home solicitation sale" as a sale of goods or services of more than \$25 in which the seller or a person acting for the seller engages in a personal, written, or telephonic solicitation of the sale, the solicitation is received by the buyer at his or her residence, and the buyer's agreement or offer to purchase is given there to the seller or the person acting for the seller.)

MCL 445.903 (H.B. 4644)  
445.112 & 445.113 (H.B. 4645)

Legislative Analyst: S. Lowe

### **FISCAL IMPACT**

Enforcement costs and fine revenue would depend on the number of violations under the proposed subsection (gg), of the Consumer Protection Act. In calendar year 1999, approximately 3,200 of the 14,030 formal written complaints filed with the Attorney General's Consumer Protection Division were related to in-home sales.

Fiscal Analyst: B. Bowerman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.