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HOUSE FISCAL AGENCY

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HB5435 AS INTRODUCED

Sponsor: Rep. Ruth Johnson

Committee: COMMERCE

Analyst(s): Schneider, Bob

Completed: 12/3/01

State Fiscal Impact

Cost: Indeterminate/Increase
Revenues: Indeterminate/Increase

Local Fiscal Impact

Cost: Indeterminate/Increase
Revenues: Indeterminate/Increase

The bill would prohibit businesses from using certain practices in credit transactions that might infringe upon consumer privacy. The bill would allow the Attorney General to bring equitable action to restrain violators by temporary or permanent injunction where there existed probable cause to believe a violation had occurred. Similarly, prosecuting attorneys could investigate and could institute and prosecute an action under the bill. Both the Attorney General and prosecuting attorneys could request and receive the assistance of law enforcement officers in investigating alleged violations. These provisions could increase state and/or local costs to the extent that enforcement action is deemed necessary.

However, the bill also allows both the Attorney General and prosecuting attorneys to accept an assurance of discontinuance from a person alleged to have committed an unlawful practice under the bill. This provision allows for stipulations providing voluntary payment of investigation costs and the escrow of funds pending the outcome of an action, which could increase state and local revenues and assist in meeting the costs discussed above.

The bill also provides for civil fines of up to \$5,000 for each violation of a injunction or court order as well as for certain violations of the bill's provisions. Other violations of specific provisions of the bill involving the use of account numbers on printed receipts and the failure to credit personal accounts within two business days could bring civil fines of up to \$5,000 per day. These provisions could increase local revenue to the extent that violations occur.

Finally, the bill states that the Commissioner of the Financial and Institutions Bureau (FIB) (note: the FIB has been consolidated by Executive Order into the Office of Financial and Insurance Services) could investigate state or federally chartered financial institutions as well as relevant licensees if unlawful practices under the bill are suspected. Any costs arising from these investigations would be met out of state restricted revenues.