

HOUSE BILL No. 4471

March 15, 2001, Introduced by Reps. Hale, Lipsey, Clark, Garza, Kolb, Bogardus, Rivet, Neumann, Jacobs, Hardman, Stallworth, Thomas, McConico and Lemmons and referred to the Committee on Commerce.

A bill to regulate certain persons engaged in business as travel promoters; to provide certain disclosures; and to provide for certain remedies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "travel promotion act".

3 Sec. 3. As used in this act:

4 (a) "Advertise" means to make any representation in the
5 solicitation of potential customers.

6 (b) "Customer" means a person who gives money or other con-
7 sideration, or on whose behalf money or other consideration is
8 given, to a travel promoter for transportation or
9 transportation-related services.

10 (c) "Person" means an individual, sole proprietorship,
11 partnership, firm, corporation, or other legal entity.

1 (d) "Ticket" means a writing, or combination of writings,
2 that entitles the holder to obtain transportation or
3 transportation-related services.

4 (e) "Transportation" means the conveyance of individuals by
5 air, sea, rail, or bus or by any other means on a foreign or
6 domestic carrier.

7 (f) "Transportation-related services" means services reason-
8 ably related to transportation including, but not limited to,
9 transfers, sightseeing tours, meals, and lodging.

10 (g) "Travel promoter" means a person doing business in this
11 state that is primarily engaged in the sale of transportation or
12 transportation-related services and does 1 or more of the
13 following:

14 (i) Solicits the purchase of transportation or
15 transportation-related services.

16 (ii) Issues or delivers a ticket representing the sale of
17 transportation or transportation-related services.

18 (iii) Collects from a customer a payment, charge, deposit,
19 or any other consideration for the sale of transportation or
20 transportation-related services.

21 Sec. 5. A person shall not engage in, attempt to engage in,
22 or advertise as being engaged in the business of being a travel
23 promoter unless the person has 1 or more of the following:

24 (a) Insurance coverage for errors and omissions at a minimum
25 of \$1,000,000.00 by an insurer authorized by the commissioner of
26 the office of financial and insurance services to do business in
27 this state.

1 (b) A surety bond or letter of credit in the amount of at
2 least \$10,000.00 payable to customers of the travel promoter.

3 (c) Proof of accreditation in the airline reporting corpora-
4 tion at the time payment was received for transportation or
5 transportation-related services. Accreditation in the airline
6 reporting corporation demonstrates compliance with this section
7 only so long as accreditation in that organization requires bond-
8 ing equal to or exceeding that bonding required by subdivision
9 (b).

10 (d) An escrow fund for money received from a customer as
11 more fully described in section 7.

12 Sec. 7. (1) A travel promoter that does not provide 1 of
13 the security devices described in section 5(a) through (c) shall
14 immediately deposit 90% of all money received from a customer for
15 payment of transportation or transportation-related services into
16 an escrow account in a federally insured depository institution.
17 The travel promoter shall not encumber this account in any
18 manner.

19 (2) A travel promoter may withdraw money from the escrow
20 account established under subsection (1) only for 1 or more of
21 the following reasons:

22 (a) In order to partially or fully pay transportation or
23 transportation-related services for a customer.

24 (b) In order to pay a refund as required under the terms of
25 a contract between the travel promoter and a customer.

1 (3) A travel promoter may withdraw, on a monthly basis, the
2 interest earned on the escrow account established under
3 subsection (1).

4 Sec. 9. (1) A travel promoter shall post clearly and con-
5 spicuously on a wall or other location that a customer may see a
6 handwritten, typed, or computer-generated statement or sign, not
7 smaller than 8-1/2 inches by 11 inches, clearly and conspicuously
8 setting forth the Michigan travel disclosures described in
9 subsection (2).

10 (2) The Michigan travel disclosures required to be posted by
11 subsection (1) are as follows:

12 "MICHIGAN TRAVEL DISCLOSURES

13 Be aware of travel offers that sound "too good to be true",
14 especially if you have been solicited by telephone or received a
15 postcard or certificate in the mail.

16 Do not give your credit card number or any information about
17 bank accounts before making travel decisions. Never give a cou-
18 rier a cashier's check or money order in exchange for information
19 about a travel package.

20 Get the complete details in writing about any travel or trip
21 package before payment. These details should include the total
22 cost (including taxes, port charges, service fees, and
23 surcharges), terms and conditions, restrictions, cancellation
24 penalties, if any, and specific information about all components
25 of the package.

1 Leave high-pressure sales presentations which do not allow
2 time for evaluation of the offer or which require disclosure of
3 your income.

4 Be wary of companies that require you to wait at least 60
5 days before taking the trip or require you to select several
6 dates of departure for the trip.

7 Be fully informed of the need and reason for additional trip
8 insurance coverage.

9 If considering a tour package, ask if the tour operator is
10 part of a consumer protection plan or bond program that would
11 protect your payment in the case of the tour company's closing.

12 Keep all receipts and documents needed to report a problem.

13 In the event of a problem or cancellation due to the tour
14 operator or travel agent, you may wish to contact the Michigan
15 Better Business Bureau, the Consumer Affairs Department at the
16 Attorney General's office, or an accredited national travel asso-
17 ciation or organization.

18 You may have a legal right to sue under the travel promotion
19 act and the Michigan consumer protection act.".

20 (3) Before the receipt of money or other valuable considera-
21 tion from a customer for transportation or transportation-related
22 services and at the first personal or telephonic interaction
23 between a travel promoter and the customer, the travel promoter
24 may provide or send to the customer a written statement on 8-1/2
25 by 11-inch paper clearly and conspicuously setting forth the
26 Michigan travel disclosures described in subsection (2).

1 Sec. 11. A violation of this act by a person subject to
2 this act is considered a method, act, or practice in the conduct
3 of trade or commerce which is unfair, unconscionable, or decep-
4 tive as defined by section 3 of the Michigan consumer protection
5 act, 1976 PA 331, MCL 445.903.

6 Enacting section 1. This act does not take effect unless
7 Senate Bill No. _____ or House Bill No. 4472 (request
8 no. 01992'01 a) of the 91st Legislature is enacted into law.