

SENATE BILL NO. 1155

November 26, 2024, Introduced by Senators IRWIN and CAVANAGH and referred to the Committee on Housing and Human Services.

A bill to amend 1976 PA 331, entitled
"Michigan consumer protection act,"
by amending sections 3 and 4 (MCL 445.903 and 445.904), section 3
as amended by 2022 PA 152 and section 4 as amended by 2014 PA 251.

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

1 to the source, sponsorship, approval, or certification of goods or
2 services.

3 (b) Using deceptive representations or deceptive designations
4 of geographic origin in connection with goods or services.

5 (c) Representing that goods or services have sponsorship,
6 approval, characteristics, ingredients, uses, benefits, or
7 quantities that they do not have or that a person has sponsorship,
8 approval, status, affiliation, or connection that ~~he or she~~ **the**
9 **person** does not have.

10 (d) Representing that goods are new if they are deteriorated,
11 altered, reconditioned, used, or secondhand.

12 (e) Representing that goods or services are of a particular
13 standard, quality, or grade, or that goods are of a particular
14 style or model, if they are of another.

15 (f) Disparaging the goods, services, business, or reputation
16 of another by false or misleading representation of fact.

17 (g) Advertising or representing goods or services with intent
18 not to dispose of those goods or services as advertised or
19 represented.

20 (h) Advertising goods or services with intent not to supply
21 reasonably expectable public demand, unless the advertisement
22 discloses a limitation of quantity in immediate conjunction with
23 the advertised goods or services.

24 (i) Making false or misleading statements of fact concerning
25 the reasons for, existence of, or amounts of price reductions.

26 (j) Representing that a part, replacement, or repair service
27 is needed when it is not.

28 (k) Representing to a party to whom goods or services are
29 supplied that the goods or services are being supplied in response

1 to a request made by or on behalf of the party, when they are not.

2 (l) Misrepresenting that because of some defect in a consumer's
3 home the health, safety, or lives of the consumer or ~~his or her~~ **the**
4 **consumer's** family are in danger if the product or services are not
5 purchased, when in fact the defect does not exist or the product or
6 services would not remove the danger.

7 (m) Causing a probability of confusion or of misunderstanding
8 with respect to the authority of a salesperson, representative, or
9 agent to negotiate the final terms of a transaction.

10 (n) Causing a probability of confusion or of misunderstanding
11 as to the legal rights, obligations, or remedies of a party to a
12 transaction.

13 (o) Causing a probability of confusion or of misunderstanding
14 as to the terms or conditions of credit if credit is extended in a
15 transaction.

16 (p) Disclaiming or limiting the implied warranty of
17 merchantability and fitness for use, unless a disclaimer is clearly
18 and conspicuously disclosed.

19 (q) Representing or implying that the subject of a consumer
20 transaction will be provided promptly, or at a specified time, or
21 within a reasonable time, if the merchant knows or has reason to
22 know it will not be so provided.

23 (r) Representing that a consumer will receive goods or
24 services free or without charge, or using words of similar import
25 in the representation, without clearly and conspicuously disclosing
26 with equal prominence in immediate conjunction with the use of
27 those words the conditions, terms, or prerequisites to the use or
28 retention of the goods or services advertised.

29 (s) Failing to reveal a material fact, the omission of which

1 tends to mislead or deceive the consumer, and which fact could not
2 reasonably be known by the consumer.

3 (t) Entering into a consumer transaction in which the consumer
4 waives or purports to waive a right, benefit, or immunity provided
5 by law, unless the waiver is clearly stated and the consumer has
6 specifically consented to it.

7 (u) Failing, in a consumer transaction that is rescinded,
8 canceled, or otherwise terminated in accordance with the terms of
9 an agreement, advertisement, representation, or provision of law,
10 to promptly restore to ~~the~~ **any** person ~~or persons~~ entitled to it a
11 deposit, down payment, or other payment, or in the case of property
12 traded in but not available, the greater of the agreed value or the
13 fair market value of the property, or to cancel within a specified
14 time or an otherwise reasonable time an acquired security interest.

15 (v) Taking or arranging for the consumer to sign an
16 acknowledgment, certificate, or other writing affirming acceptance,
17 delivery, compliance with a requirement of law, or other
18 performance, if the merchant knows or has reason to know that the
19 statement is not true.

20 (w) Representing that a consumer will receive a rebate,
21 discount, or other benefit as an inducement for entering into a
22 transaction, if the benefit is contingent on an event to occur
23 subsequent to the consummation of the transaction.

24 (x) Taking advantage of the consumer's inability reasonably to
25 protect ~~his or her~~ **the consumer's** interests by reason of
26 disability, illiteracy, or inability to understand the language of
27 an agreement presented by the other party to the transaction who
28 knows or reasonably should know of the consumer's inability.

29 (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), representing as 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, degradable contrary to the
25 definition provided in that act.

26 (ee) Representing that a product or package is degradable,
27 biodegradable, or photodegradable unless it can be substantiated by
28 evidence that the product or package will completely decompose into
29 elements found in nature within a reasonably short period of time

1 after consumers use the product and dispose of the product or the
2 package in a landfill or composting facility, as appropriate.

3 (ff) Offering a consumer a prize if the consumer is required
4 to submit to a sales presentation to claim the prize, unless a
5 written disclosure is given to the consumer at the time the
6 consumer is notified of the prize and the written disclosure meets
7 all of the following requirements:

8 (i) Is written or printed in a bold type that is not smaller
9 than 10-point.

10 (ii) Fully describes the prize, including its cash value, won
11 by the consumer.

12 (iii) Contains all the terms and conditions for claiming the
13 prize, including a statement that the consumer is required to
14 submit to a sales presentation.

15 (iv) Fully describes the product, real estate, investment,
16 service, membership, or other item that is or will be offered for
17 sale, including the price of the least expensive item and the most
18 expensive item.

19 (gg) Violating 1971 PA 227, MCL 445.111 to 445.117, in
20 connection with a home solicitation sale or telephone solicitation,
21 including, but not limited to, having an independent courier
22 service or other third party pick up a consumer's payment on a home
23 solicitation sale during the period the consumer is entitled to
24 cancel the sale.

25 (hh) Except as provided in subsection (3), requiring a
26 consumer to disclose ~~his or her~~ **the consumer's** Social Security
27 number as a condition to selling or leasing goods or providing a
28 service to the consumer, unless any of the following apply:

29 (i) The selling, leasing, providing, terms of payment, or

1 transaction includes an application for or an extension of credit
2 to the consumer.

3 (ii) The disclosure is required or authorized by applicable
4 state or federal statute, rule, or regulation.

5 (iii) The disclosure is requested by a person to obtain a
6 consumer report for a permissible purpose described in section 604
7 of the fair credit reporting act, 15 USC 1681b.

8 (iv) The disclosure is requested by a landlord, lessor, or
9 property manager to obtain a background check of the individual in
10 conjunction with the rent or leasing of real property.

11 (v) The disclosure is requested from an individual to effect,
12 administer, or enforce a specific telephonic or other electronic
13 consumer transaction that is not made in person but is requested or
14 authorized by the individual if it is to be used solely to confirm
15 the identity of the individual through a fraud prevention service
16 database. The consumer good or service must still be provided to
17 the consumer on verification of ~~his or her~~ **the consumer's** identity
18 if ~~he or she~~ **the consumer** refuses to provide ~~his or her~~ **the**
19 **consumer's** Social Security number but provides other information or
20 documentation that can be used by the person to verify ~~his or her~~
21 **the consumer's** identity. The person may inform the consumer that
22 verification through other means than use of the Social Security
23 number may cause a delay in providing the service or good to the
24 consumer.

25 (ii) If a credit card or debit card is used for payment in a
26 consumer transaction, issuing or delivering a receipt to the
27 consumer that displays any part of the expiration date of the card
28 or more than the last 4 digits of the consumer's account number.
29 This subdivision does not apply if the only receipt issued in a

1 consumer transaction is a credit card or debit card receipt on
2 which the account number or expiration date is handwritten,
3 mechanically imprinted, or photocopied. This subdivision applies to
4 any consumer transaction that occurs on or after March 1, 2005,
5 except that if a credit or debit card receipt is printed in a
6 consumer transaction by an electronic device, this subdivision
7 applies to any consumer transaction that occurs using that device
8 only after 1 of the following dates, as applicable:

9 (i) If the electronic device is placed in service after March
10 1, 2005, July 1, 2005 or the date the device is placed in service,
11 whichever is later.

12 (ii) If the electronic device is in service on or before March
13 1, 2005, July 1, 2006.

14 (jj) Violating section 11 of the identity theft protection
15 act, 2004 PA 452, MCL 445.71.

16 (kk) Advertising or conducting a live musical performance or
17 production in this state through the use of a false, deceptive, or
18 misleading affiliation, connection, or association between a
19 performing group and a recording group. This subdivision does not
20 apply if any of the following are met:

21 (i) The performing group is the authorized registrant and owner
22 of a federal service mark for that group registered in the United
23 States Patent and Trademark Office.

24 (ii) At least 1 member of the performing group was a member of
25 the recording group and has a legal right to use the recording
26 group's name, by virtue of use or operation under the recording
27 group's name without having abandoned the name or affiliation with
28 the recording group.

29 (iii) The live musical performance or production is identified

1 in all advertising and promotion as a salute or tribute and the
 2 name of the vocal or instrumental group performing is not so
 3 closely related or similar to that used by the recording group that
 4 it would tend to confuse or mislead the public.

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

7 (v) The performance or production is expressly authorized by
 8 the recording group.

9 **(ll) Violating the Michigan fair chance access to housing act.**

10 **(mm) ~~(ll)~~** Violating section 3e, 3f, 3g, 3h, 3i, 3k, 3l, 3m, or
 11 3o.

12 (2) The attorney general may promulgate rules to implement
 13 this act under the administrative procedures act of 1969, 1969 PA
 14 306, MCL 24.201 to 24.328. The rules must not create an additional
 15 unfair trade practice not already enumerated by this section.
 16 However, to assure national uniformity, rules must not be
 17 promulgated to implement subsection (1)(dd) or (ee).

18 (3) Subsection (1)(hh) does not apply to either of the
 19 following:

20 (a) Providing a service related to the administration of
 21 health-related or dental-related benefits or services to patients,
 22 including provider contracting or credentialing. This subdivision
 23 is intended to limit the application of subsection (1)(hh) and is
 24 not intended to imply that this act would otherwise apply to
 25 health-related or dental-related benefits.

26 (b) An employer providing benefits or services to an employee.
 27 Sec. 4. (1) This act does not apply to ~~either of the~~
 28 ~~following:~~

29 ~~(a) A~~ **a** transaction or conduct specifically authorized under

1 laws administered by a regulatory board or officer acting under
 2 statutory authority of this state or the United States. **However,**
 3 **this subsection does not apply to or otherwise limit the**
 4 **enforcement of this act as relates to a method, act, or practice**
 5 **that is unlawful under section 3(1) (II) .**

6 (2) ~~(b) An~~ **This act does not apply to an** act done by the
 7 publisher, owner, agent, or employee of a newspaper, periodical,
 8 directory, radio or television station, or other communications
 9 medium in the publication or dissemination of an advertisement
 10 unless the publisher, owner, agent, or employee knows or, under the
 11 circumstances, reasonably should know of the false, misleading, or
 12 deceptive character of the advertisement or has a direct financial
 13 interest in the sale or distribution of the advertised goods,
 14 property, or service.

15 (3) ~~(2)~~ Except for the purposes of an action filed by a person
 16 under section 11, this act does not apply to or create a cause of
 17 action for an unfair, unconscionable, or deceptive method, act, or
 18 practice that is made unlawful by any of the following:

19 (a) The banking code of 1999, 1999 PA 276, MCL 487.11101 to
 20 487.15105.

21 (b) 1939 PA 3, MCL 460.1 to 460.11.

22 (c) The motor carrier act, 1933 PA 254, MCL 475.1 to
 23 ~~479.43.~~ **479.42.**

24 (d) The savings bank act, 1996 PA 354, MCL 487.3101 to
 25 487.3804.

26 (e) The credit union act, 2003 PA 215, MCL 490.101 to 490.601.

27 (4) ~~(3)~~ This act does not apply to or create a cause of action
 28 for an unfair, unconscionable, or deceptive method, act, or
 29 practice that is made unlawful by chapter 20 of the insurance code

1 of 1956, 1956 PA 218, MCL 500.2001 to 500.2093, if either of the
2 following is met:

3 (a) The method, act, or practice occurred on or after March
4 28, 2001.

5 (b) The method, act, or practice occurred before March 28,
6 2001. However, this subdivision does not apply to or limit a cause
7 of action filed with a court concerning a method, act, or practice
8 if the cause of action was filed in a court of competent
9 jurisdiction on or before June 5, 2014.

10 **(5)** ~~(4)~~ The burden of proving an exemption from this act is
11 ~~upon~~ **on** the person claiming the exemption.

12 Enacting section 1. This amendatory act does not take effect
13 unless Senate Bill No. 1154 of the 102nd Legislature is enacted
14 into law.