



HOUSE BILL No. 5833

May 1, 1996, Introduced by Reps. Bankes, Law, Yokich, Gubow, Anthony, Tesanovich, Pitoniak, Kelly and DeHart and referred to the Committee on Regulatory Affairs.

A bill to regulate the servicing, repair, and maintenance of certain appliances and the compensation received by certain persons for those activities; to provide for certain disclosures and warranties regarding those activities; to limit certain representations by service dealers; and to provide for penalties and remedies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "appliance repair act".

3 Sec. 2. As used in this act:

4 (a) "Appliance" means a refrigerator, freezer, oven, range,
5 microwave oven, washer, dryer, dishwasher, trash compactor, room
6 air conditioner, or other similar device that is normally used or
7 sold for personal, family, or household use.

1 (b) "Service dealer" means a person who, for compensation,
2 engages or offers to engage in repairing, servicing, or
3 maintaining an appliance.

4 Sec. 3. (1) Except as otherwise provided in this section
5 and before accepting an appliance for repair, service, or mainte-
6 nance, a service dealer shall make a written estimate of the cost
7 of the repair, service, or maintenance which shall include, but
8 not be limited to, a breakdown relative to parts and labor. The
9 customer may approve the estimate by signing the estimate. If
10 the customer approves the estimate by means of a telephone call
11 or other equivalent method, the service dealer shall so indicate
12 on the estimate and shall, if possible, obtain the customer's
13 signature on the estimate at a later time. A service dealer
14 shall not charge for parts or labor in excess of that noted in
15 the written estimate unless the service dealer receives the oral
16 or written permission of the customer. Any modification of the
17 estimate relative to the parts and labor shall also be approved
18 orally or in writing by the customer and noted on the estimate
19 and bill.

20 (2) An estimate shall provide all of the following:

21 (a) A description of the problem requiring service, repair,
22 or maintenance or the maintenance procedure desired by the
23 customers.

24 (b) Any charge for labor or parts relating to the examina-
25 tion or diagnosis of the problem.

26 (c) A description of any repair, service, or maintenance
27 that deviates from that indicated in the owner's manual, if an

1 owner's manual is made available by the customer, or that
2 deviates from the industry standard, if a standard exists.

3 (d) The cost of work performed by a person other than the
4 service dealer, if applicable.

5 (e) The cost for removing the appliance from and returning
6 the appliance to the customer's premises, if applicable.

7 (3) The estimate shall describe the method by which the
8 service dealer computes the labor charge. If a flat rate is
9 used, the estimate shall indicate the source of the calculation
10 and the estimated time of completing the repair or service.

11 (4) A service dealer may charge a reasonable fee, as indi-
12 cated in the written estimate, for any labor performed in examin-
13 ing the appliance and diagnosing any problems. If the appliance
14 would require dismantling as part of the diagnosis, the service
15 dealer shall provide a written estimate of the cost of dismantl-
16 ing and reassembling the appliance and the cost, if any, of any
17 parts that would be destroyed or rendered inoperable by the dis-
18 mantling and reassembly of the appliance.

19 (5) A service dealer shall not allow a person other than the
20 service dealer to do any work unless the prior consent of the
21 customer is obtained.

22 Sec. 4. (1) A service dealer who removes an appliance from
23 the premises of the customer or accepts receipt of an appliance
24 at his or her place of business shall execute and give to the
25 customer a claim check containing all of the following:

1 (a) The business name, address, and telephone number of the
2 service dealer and the place where the repair or servicing will
3 occur.

4 (b) The date of acceptance of the appliance by the service
5 dealer and the name of the person accepting the appliance.

6 (c) A description of the appliance, including the model and
7 serial numbers.

8 (d) The name, address, and telephone number of the
9 customer.

10 (e) The removal and installation charge, if any, and the
11 name of the person removing the appliance.

12 (2) The claim check shall contain a statement in 12-point
13 boldfaced type substantially conforming to the following:

14 "A written estimate shall be given to the customer by the
15 service dealer. The service dealer shall not charge for work
16 done or parts supplied in excess of the estimate without the
17 prior written or oral consent of the customer."

18 (3) A service dealer may combine the claim check with the
19 estimate as long as the information required under this act is
20 included on the document.

21 Sec. 5. (1) Except as otherwise provided by this section,
22 the service dealer shall return all parts removed from the appli-
23 ance to the customer. The service dealer may retain any part
24 that has a core charge, exchange rate, or contains hazardous
25 material so long as the service dealer provides to the customer,
26 at the completion of the repair, service, or maintenance, a

1 written statement on the final bill describing the reason for the
2 retention of the part.

3 (2) A service dealer who utilizes used parts in the service,
4 repair, or maintenance of an appliance shall state that fact to
5 the customer and describe on the final bill which parts are used
6 and which parts are new.

7 (3) The final bill of the service dealer shall state the
8 warranty, if any, provided by the supplier of the part or the
9 manufacturer of the appliance, or both. If the service dealer
10 has no knowledge of a supplier's or manufacturer's warranty, he
11 or she shall so state in the final bill.

12 (4) The final bill shall detail in writing the final total
13 charge and a breakdown of the following charges:

14 (a) Service call charges.

15 (b) The charge relative to an in-home service call and rela-
16 tive to the labor in the service dealer's shop, including the
17 time spent and the hourly rate.

18 (c) Parts charge, including whether the parts were new or
19 used, and the OEM number of the parts.

20 (d) Other charges, stated in detail.

21 (e) Sales tax.

22 Sec. 6. (1) A service dealer shall provide a warranty for
23 not less than 90 days of any labor regarding service or repair of
24 the appliance and a warranty not less than 120 days of any parts
25 used in the service or repair of the appliance. This subsection
26 does not void, reduce, or supersede a warranty made by the

1 manufacturer of the appliance and does not void any provisions of
2 a service contract that covers the appliance.

3 (2) A warranty under subsection (1) requires the service
4 dealer to correct, at no cost to the customer, any failure of the
5 warranted service or repairs if the customer notifies the service
6 dealer in writing within the applicable time period. A service
7 dealer shall make a warranted correction in not more than 10 days
8 after receipt of the written notice unless parts, after having
9 been ordered in a timely manner, are not received by the service
10 dealer. The service dealer shall make a written record of the
11 ordering of those parts.

12 (3) A service dealer may honor a warranty issued under
13 subsection (1) by reimbursing the customer for the warranted
14 service or repairs.

15 (4) A warranty issued under subsection (1) for service and
16 repairs is extended by any period of time the service dealer has
17 possession of the appliance for work related to the warranty.

18 (5) A warranty issued under subsection (1) excludes coverage
19 caused by abuse, negligence, theft, vandalism, fire, or other
20 casualty loss.

21 (6) A warranty issued under subsection (1) shall be reduced
22 to writing and delivered to the customer at the time the final
23 bill is presented. The warranty may be contained in the same
24 document as the final bill.

25 Sec. 7. A service dealer shall not compensate an employee,
26 partner, or officer, in whole or in part, on any of the following
27 bases:

1 (a) The value, cost, quantity, or type of parts replaced.

2 (b) The part or component serviced.

3 (c) The cost of labor charged to the customer.

4 Sec. 8. (1) A service dealer shall maintain each service
5 and repair record, including each record of parts and purchase
6 order, for not less than 1 year. A service dealer shall make
7 available to a customer those records relating to that customer
8 upon request and payment of a reasonable copy charge.

9 (2) A service dealer shall display conspicuously in his or
10 her place of business in a location that is open to the public a
11 sign stating the rights of customers under this act. The infor-
12 mation shall include, but not be limited to, the following:

13 (a) The right of a written estimate.

14 (b) The right not to pay for repairs not requested and to
15 inspect replaced parts.

16 (c) The right to a detailed bill stating the price of parts
17 and labor and indicating the existence of warranties.

18 (d) The right to a warranty from the service dealer on parts
19 and labor.

20 Sec. 9. Advertisements for a service dealer shall contain
21 all of the following:

22 (a) The business name, address, and telephone number as
23 listed in the local telephone directory.

24 (b) If a representation is made that the service or repair
25 may occur on the customer's premises and there is a moving charge
26 for repairs that cannot be completed on the customer's premises,
27 such charge shall be stated.

1 (c) If a representation is made that certain services or
2 repairs are free of charge with certain conditions, those condi-
3 tions shall be stated.

4 (d) If a representation is made that 24-hour service is
5 available, such service shall, in fact, be available on a 24-hour
6 basis. Twenty-four-hour service does not include an answering
7 service that relays messages for scheduling service calls for a
8 later time.

9 Sec. 10. A service dealer who commits 1 or more of the fol-
10 lowing is subject to the penalties set forth in this act:

11 (a) Making or authorizing a statement or advertisement that
12 is untrue or misleading and that is known, or that by the exer-
13 cise of reasonable care should be known, to be untrue or
14 misleading.

15 (b) Making a false promise of a character likely to influ-
16 ence, persuade, or induce a customer to authorize the repair,
17 service, or maintenance of an appliance.

18 (c) Acting for more than 1 customer in a transaction without
19 the knowledge or consent of all parties to the transaction.

20 (d) Committing any act that constitutes fraud or dishonest
21 dealing including, but not limited to, replacing a part that is
22 not broken or defective or falsely representing that parts had
23 been replaced or labor had been performed.

24 (e) Providing services in an incompetent or negligent
25 manner.

26 (f) Willfully departing from or disregarding accepted trade
27 standards for good and workmanlike repair.

1 (g) Failing in a material respect to comply with this act.

2 Sec. 11. (1) A person may bring an action in a court of
3 competent jurisdiction to enforce this act. The court shall
4 award attorney fees to a person who prevails in an action brought
5 under this act. The court shall also award twice the amount of
6 damages if it finds that the violation of this act was willful.

7 (2) A person may bring an action in a court of competent
8 jurisdiction to enjoin any act or omission conducted in willful
9 violation of this act and, if successful, shall be awarded attor-
10 ney fees.

11 (3) The attorney general may bring an action pursuant to the
12 Michigan consumer protection act, Act No. 331 of the Public Acts
13 of 1976, being sections 445.901 to 445.922 of the Michigan
14 Compiled Laws, for any willful act or omission that the attorney
15 general considers an unfair, unconscionable, or deceptive method,
16 act, or practice in the conduct of trade or commerce as defined
17 by that act.

18 (4) The remedies under this act are cumulative and
19 independent. The use of 1 remedy by a person or the department
20 of attorney general shall not bar the use of other lawful reme-
21 dies, including injunctive relief, by that person or the depart-
22 ment of attorney general.