



HOUSE BILL No. 5451

February 24, 2000, Introduced by Reps. Kowall, Scranton, Bishop, Gilbert, Julian, Patterson, Toy, Jacobs, Hansen, Hart, Richardville, Birkholz, Tabor, Rocca, Rick Johnson, DeVuyst, Cassis, Howell, Hager, Cameron Brown, Sanborn, Middaugh, Quarles, Koetje, Gosselin, Bovin, Ruth Johnson, Faunce, Woronchak, DeRossett, LaSata, Mortimer, Frank, Bisbee, Mead, Pumford, Stamas, Caul, Kukuk, DeHart, Wojno, Neumann, Voorhees, Pappageorge, Vaughn, Allen, Shackleton, Vear, Daniels and Shulman and referred to the Committee on Energy and Technology.

A bill to amend 1971 PA 227, entitled
"An act to prescribe the rights and duties of parties to home solicitation sales,"
(MCL 445.111 to 445.117) by adding section 11.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 11. IT IS AN UNFAIR OR DECEPTIVE ACT OR PRACTICE AND A
2 VIOLATION OF THIS ACT FOR ANY TELEPHONE SOLICITOR TO DO ANY OF
3 THE FOLLOWING:

4 (A) MISREPRESENT OR FAIL TO DISCLOSE, IN A CLEAR, CONSPICU-
5 OUS, AND INTELLIGIBLE MANNER AND BEFORE PAYMENT IS RECEIVED FROM
6 THE CONSUMER, ALL OF THE FOLLOWING INFORMATION:

7 (i) TOTAL PURCHASE COSTS TO THE CONSUMER OF THE GOODS OR
8 SERVICES TO BE RECEIVED.

1 (ii) ANY RESTRICTIONS, LIMITATIONS, OR CONDITIONS TO
2 PURCHASE OR TO USE THE GOODS OR SERVICES THAT ARE THE SUBJECT OF
3 ANY OFFER.

4 (iii) ANY MATERIAL TERM OR CONDITION OF THE SELLER'S REFUND,
5 CANCELLATION, OR EXCHANGE POLICY, INCLUDING, IF APPLICABLE, THAT
6 NO SUCH POLICIES EXIST.

7 (iv) ALL MATERIAL COSTS OR CONDITIONS RELATED TO RECEIVING A
8 PRIZE, INCLUDING THE ODDS OF WINNING THE PRIZE, AND IF THE ODDS
9 ARE NOT CALCULABLE IN ADVANCE, THE FACTORS USED IN CALCULATING
10 THE ODDS, THE NATURE AND VALUE OF A PRIZE, THAT NO PURCHASE IS
11 NECESSARY TO WIN THE PRIZE, AND THE "NO PURCHASE" METHOD OF
12 ENTERING THE CONTEST.

13 (v) ANY MATERIAL ASPECT OF AN INVESTMENT OPPORTUNITY BEING
14 OFFERED, INCLUDING BUT NOT LIMITED TO RISK, LIQUIDITY, EARNINGS
15 POTENTIAL, MARKET VALUE, AND PROFITABILITY.

16 (vi) THE QUANTITY AND ANY MATERIAL ASPECT OF THE QUALITY OR
17 BASIC CHARACTERISTICS OF ANY GOODS OR SERVICES OFFERED.

18 (vii) THE RIGHT TO CANCEL ANY SALE AS PROVIDED UNDER THIS
19 ACT.

20 (B) MISREPRESENT ANY MATERIAL ASPECT OF THE QUALITY OR BASIC
21 CHARACTERISTICS OF ANY GOODS OR SERVICES OFFERED.

22 (C) MAKE A FALSE OR MISLEADING STATEMENT WITH THE PURPOSE OF
23 INDUCING A CONSUMER TO PAY FOR ANY GOODS OR SERVICES.

24 (D) REQUEST OR ACCEPT PAYMENT FROM A CONSUMER OR MAKE OR
25 SUBMIT ANY CHARGE TO THE CONSUMER'S CREDIT OR BANK ACCOUNT BEFORE
26 THE TELEPHONE SOLICITOR OR SELLER RECEIVES FROM THE CONSUMER AN
27 EXPRESS VERIFIABLE AUTHORIZATION AS REQUIRED BY THIS ACT.

1 (E) OFFER TO CONSUMERS IN THIS STATE ANY PRIZE PROMOTION IN
2 WHICH A PURCHASE OR PAYMENT IS NECESSARY TO OBTAIN THE PRIZE.

3 (F) FAIL TO COMPLY WITH THE RECORD-KEEPING REQUIREMENTS OF
4 SECTION 16.

5 Enacting section 1. This amendatory act does not take
6 effect unless Senate Bill No. _____ or House Bill No. 5446
7 (request no. 06035'00) of the 90th Legislature is enacted into
8 law.