

HOUSE BILL No. 5811

March 1, 2006, Introduced by Reps. Huizenga, Dillon, Stahl and Green 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; to regulate certain telephone solicitation; to provide for the powers and duties of certain state officers and entities; and to prescribe penalties and remedies,"

by amending section 3 (MCL 445.113), as amended by 2002 PA 612.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) In a home solicitation sale, unless the buyer
2 requests the seller to provide goods or services without delay in
3 an emergency, the seller shall present to the buyer and obtain
4 the buyer's signature to a written agreement or offer to purchase
5 that designates as the date of the transaction the date on which
6 the buyer actually signs.

7 The agreement or offer to purchase shall contain a statement

1 substantially as follows in immediate proximity to the space
 2 reserved in the agreement or offer to purchase for the signature
 3 of the buyer:

4 "You, the buyer, may cancel this transaction at any time
 5 prior to midnight of the third business day after the date of
 6 this transaction. See the attached notice of cancellation form
 7 for an explanation of this right. Additionally, the seller is
 8 prohibited from having an independent courier service or other
 9 third party pick up your payment at your residence before the end
 10 of the 3-business-day period in which you can cancel the
 11 transaction."

12 (2) The seller shall attach to the copy or cause to be
 13 printed on the reverse side of the written agreement or offer to
 14 purchase retained by the buyer a notice of cancellation in
 15 duplicate that shall appear as follows:

16 "notice of cancellation

17 (enter date of transaction)

18

19 _____
 (date)

20 You may cancel this transaction, without any penalty or
 21 obligation, within 3 business days from the above date.

22 If you cancel, any property traded in, any payments made by
 23 you under the contract or sale, and any negotiable instrument
 24 executed by you will be returned within 10 business days
 25 following receipt by the seller of your cancellation notice, and
 26 any security interest arising out of the transaction will be
 27 canceled.

1 If you cancel, you must make available to the seller at your
 2 residence, in substantially as good condition as when received,
 3 any goods delivered to you under this contract or sale; or you
 4 may if you wish, comply with the instructions of the seller
 5 regarding the return shipment of the goods at the seller's
 6 expense and risk.

7 If you do make the goods available to the seller and the
 8 seller does not pick them up within 20 days of the date of your
 9 notice of cancellation, you may retain or dispose of the goods
 10 without any further obligation. If you fail to make the goods
 11 available to the seller or if you agree to return the goods to
 12 the seller and fail to do so, then you remain liable for
 13 performance of all obligations under the contract.

14 To cancel this transaction, mail or deliver a signed and
 15 dated copy of this cancellation notice or any other written
 16 notice, or send a telegram to (name of seller), at (address of
 17 seller's place of business) not later than midnight on

18 _____
 19 (date)

20 I hereby cancel this transaction.

21 _____
 22 (date)

23 _____
 24 (buyer's signature) "

25 (3) The notices required by this section shall be in not
 26 less than 10-point bold type and shall be 2 points larger than
 27 the text of the contract. A written agreement or offer to

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1 purchase and the notice of cancellation attached to the agreement
 2 or offer shall be written in the same language as that used in
 3 any oral presentation that was given to facilitate sale of the
 4 goods or services. The seller shall enter on the blanks in the
 5 notice of cancellation the date of transaction, which is the date
 6 the buyer signs the written agreement, and the date for mailing
 7 the notice of cancellation. An error in entering this information
 8 shall not diminish the buyer's rights under this act.

9 (4) Until the seller has complied with this section, the
 10 buyer may cancel the home solicitation sale by notifying the
 11 seller in any manner and by any means of his or her intention to
 12 cancel.

13 (5) This section does not apply to a home solicitation sale
 14 where the seller engaged in a telephone solicitation of the sale
 15 if sections 505 to 507 of the Michigan telecommunications act,
 16 1991 PA 179, MCL 484.2505 to 484.2507, apply to the solicitation
 17 or sale.

18 [(6) THIS SECTION DOES NOT APPLY TO A HOME SOLICITATION SALE OF
 19 NATURAL GAS OR ELECTRICITY IF THE SELLER IS ANY OF THE FOLLOWING:

20 (A) AN ELECTRIC UTILITY OR GAS UTILITY THAT IS REGULATED BY THE
 21 COMMISSION AND COMPLIES WITH ANY ORDERS OR TARIFFS ISSUED BY THE

22 COMMISSION CONCERNING HOME SOLICITATIONS BY ALTERNATIVE ELECTRIC
 SUPPLIERS OR ALTERNATIVE GAS SUPPLIERS IN MAKING THE SOLICITATION.

(B) AN ALTERNATIVE GAS SUPPLIER OR ALTERNATIVE ELECTRIC SUPPLIER
 LICENSED BY THE COMMISSION THAT COMPLIES WITH ANY APPLICABLE ORDERS OR
 TARIFFS ISSUED BY THE COMMISSION CONCERNING HOME SOLICITATIONS IN MAKING
 THE SOLICITATION.]