

Legislative Analysis



REPEAL MICHIGAN CONSUMER'S COUNCIL

Mary Ann Cleary, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5606 (as reported without amendment)

Sponsor: Rep. Bob Genetski

Committee: Regulatory Reform

Complete to 6-4-12

A SUMMARY OF HOUSE BILL 5606 AS REPORTED FROM COMMITTEE 5-30-12

The bill would repeal Public Act 277 of 1966 (MCL 445.821 to 445.829), which established the Michigan Consumer's Council (jointly composed of the Legislative Citizens Committee on Consumer Affairs, the Executive Committee on Consumer Affairs, and the Governor's Citizens Committee on Consumer Affairs) under the general control of the Legislative Council. The Consumer's Council was statutorily directed to do all of the following:

- Formulate and direct a program to protect individual consumers from harmful products and merchandise, false advertising, and deceptive sales practices.
- Formulate and conduct a research and education program to eliminate fraudulent commercial practices.
- Serve as a central coordinating agency and clearinghouse for activities and information concerning fraudulent commercial practices.
- Advise the Governor on all matters affecting the interests of the people of Michigan as consumers and make recommendations regarding the enactment of legislation necessary to protect and promote the interests of consumers.
- Advise the Attorney General of any practice that requires investigations to determine if any state law is being violated.
- Establish and maintain, as a public service, a toll-free telephone line open to any Michigan resident, intended to receive complaints from consumers and to refer consumers to the appropriate federal, state, local, or private agency which would handle the complaints.

FISCAL IMPACT:

The bill would have no fiscal impact on the state or local units of government. The Council has not functioned since its appropriation was line-item vetoed in 1991.

BACKGROUND INFORMATION:

The Michigan Consumer's Council operated within the Legislative Council from 1967 until its appropriation of \$469,000 was line-item vetoed in 1991 PA 114. At the time there was question as to whether the Governor had the constitutional authority to veto funding for the Consumer's Council because it operated under the general control of the Legislative Council (for budgeting, procurement, and management related purposes),

which is a constitutionally established entity. Attorney General opinion 6708, issued on January 3, 1992, held the veto was constitutional because the Consumer's Council was "purely a statutory creation of the Legislature" and its appropriation was subject to the Governor's veto power. For the complete text of the opinion, see:
<http://www.ag.state.mi.us/opinion/datafiles/1990s/op06708.htm>

According to the American Consumer Council, Michigan is one of 41 states with a consumer council. However, it is important to note the American Consumer Council does not provide any information on the number state consumer councils that are currently in operation. In addition to the 41 state consumer councils, there are also three regional councils covering the Carolinas, the Pacific Northwest, and New England.

POSITIONS:

Michigan Legislative Council supports the bill. (5-23-12)

Legislative Analyst: Jeff Stoutenburg
Fiscal Analyst: Robin Risko

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.