

LEGISLATIVE REVIEW DIRECTORSHIP REPORT

December 2, 2006

I. PUBLIC ACTS

- A. Public Acts 16-19 of 2005. Unemployment insurance--prohibit and provide sanctions for transferring or acquiring a trade or business for the sole or primary purpose of obtaining a lower contribution rate or reimbursement payment in lieu of contributions required under the Employment Security Act. (HB 4414, 4415; SB 171, 174; effective 7/1/2005)
- B. Public Acts 25, 36-39 of 2005. Amend various statutes to provide that the Secretary of State's receipt of an application for a certificate of title on which a security interest in a vehicle, watercraft, or off-road vehicle was indicated, would constitute the perfection of a security interest and be equivalent to the filing of a financing statement under the Uniform Commercial Code. Also, the filing of an application under the Mobile Home Commission Act for a certificate of title indicating a security interest in a mobile home would be required to perfect the security interest and would be equivalent to the filing of a financing statement under the Uniform Commercial Code. (HB 4450-4453; effective 6/7/05 and HB 4454; effective 5/23/05)
- C. Public Act 113 of 2005. Exempts from licensure under the Mortgage Brokers, Lenders, and Servicers Licensing Act, an individual who is an employee of a Professional Employer Organization (PEO), as defined in the Single Business Tax Act, and is solely acting as a residential mortgage originator for only one mortgage broker or lender. The Act specifies that the mortgage broker or lender would have to direct and control the activities of the individual and be responsible for all of the individual's activities and assume responsibility for the individual's actions covered by the proof of financial responsibility deposit required under the Act. (SB 540; effective 9/22/05)
- D. Public Acts 192-195 of 2005. Amend various statutes to repeal sections that require banks, domestic credit unions, savings banks, and savings and loan associations that file a suspicious activity report with an agency of the Federal government to file a copy of the report with the Department of State Police within 24 hours. (HB 4997-5000; effective 11/7/05)
- E. Public Act 212 of 2005. Amends the Michigan Business Corporation Act to allow a qualified high-technology business to apply for an exemption from fees charged under the Act for additional authorized shares, for up to eight consecutive tax years or for tax years in which the business had under \$10 million in gross revenue. (SB 298; effective 11/21/05)

- F. Public Acts 217-220 of 2005. Amend the Michigan Business Corporation Act, the Michigan Limited Liability Act, the Nonprofit Corporation Act and the Michigan Revised Uniform Limited Partnership Act to require the Director of the Department of Labor and Economic Growth (DLEG) to establish, by December 31, 2006, a procedure for accepting the delivery of documents filed under those laws by electronic transmission. Beginning on that date, a person will be able to file a document under those statutes by electronic transmission. The DLEG has begun the process and expects to meet the December 31, 2006 deadline. (SB 664-667; effective 11/21/05)
- G. Public Act 229 of 2005. Amends the Single Business Tax to add to “business income” the amount of the federal domestic production activities deduction, to subject insurance companies to the sales and use tax, to reduce the amount of the gross receipts reduction (increasing SBT base), to reduce to the amount of the excess compensation reduction (increasing SBT base), to treat members of a limited liability company like officers, shareholders, partners and individuals for purposes of the small business credit, to include all members of a group of companies with common ownership in determining whether a controlled group is small enough to take the small business credit, to eliminate the apprenticeship credit as of September 30, 2005, to prevent firms with an unused SBT loss or credit obtained while filing separately from using that loss or credit faster by filing a joint return with an affiliate in a later year, and to specify that underpayment due to some of the changes proposed in the bill would not subject the taxpayer to penalties imposed under the Act. (HB 5098; effective 11/21/05)
- H. Public Act 268 of 2005. Amends the Michigan Liquor Control Code of 1998 in order to regulate out of state wine retailers. (SB 625 and 626; effective 12/29/05)
- I. Public Act 44 of 2006. Amends Public Act 137 of 1929, which provides for the formation of corporations by summer resort owners, to revise the member approval requirements for the board of a summer resort corporation in order to set and collect annual dues and special assessments from its members. The bill specifies that, unless the summer resort corporation's bylaws specifically provide for approval by a majority of the votes cast, the vote of a majority of all of the members of the corporation would be required to approve an action of the board relating to dues and assessments. (SB 751; effective 3/7/06)
- J. Public Act 47 of 2006. Allows corporations to address written notices, reports, statements or communications to shareholders sharing a common address if: (1) the corporation addresses the writing to shareholders as a group, individually, or in any other form to which there are no shareholder objections, (2) the corporation gives at least 60 days notice to the shareholders sharing the common address, (3) there are no written objections from any shareholder with the common address. If there is an objection, the corporation must provide separate copies to those who have objected within 30 days of receiving the objection. (HB 5321; effective 3/9/06)

- K. Public Act 63 of 2006. Amends the portion of the MBCA addressing the dissolution of corporations to provide that the dissolution depends, among other things, on proof that shareholders who have entered into an agreement authorized by Section 488 are unable to agree on material matters respecting management of the corporation's affairs or are divided in voting power so as to be unable to elect successor directors. The reference to Section 488 replaces a reference to the shareholders acting under the corporation's Articles of Incorporation. Section 488 allows shareholders to enter into agreements to exercise the corporate powers or the management of the business, even to the extent of eliminating the board of directors or restricting its powers. (HB5316; effective 3/20/2006)
- L. Public Act 64 of 2006. Amends the section of the MBCA that allows for amendments to the Articles of Incorporation. Some amendments can be made by the board without shareholder action; others require shareholder approval. The bill would amend language dealing with shareholder approval to provide that: "Other amendments of the Articles of Incorporation, except as otherwise provided in this Act, shall be proposed by the board and approved by the shareholders as provided in this section. The board may condition its submission of the amendment to the shareholders on any basis." (HB 5317; effective 3/20/2006)
- M. Public Act 65 of 2006. Amends the section of the MBCA dealing with committees of a corporation created by the board to specify that a committee could create one or more subcommittees and delegate all or part of its power or authority to a subcommittee, unless prohibited by a resolution of the board, the Articles of Incorporation, or the bylaws. (HB 5318; effective 3/20/2006)
- N. Public Act 66 – 67 of 2006. Specify that when a shareholder abstains from voting or submits a ballot marked "abstain," such action does not count as a vote cast (unless the Articles provide otherwise). This affects a section that requires actions to be authorized by "a majority of votes cast." A similar amendment is made to the section that deals with voting by a class or series of shares. (HB 5319 and 5320; effective 3/20/2006)
- O. Public Act 68 of 2006. Amends the Act's definition of "willfully unfair and oppressive conduct" to specify that such conduct could include termination of employment or limitations on employment benefits to the extent that the actions interfere with distributions or other shareholder interests disproportionately as to the affected shareholder. (HB5323; effective 3/20/06)
- P. Public Act 72 of 2006. Rewrites and rearranges the provision that requires a foreign (out-of-state) corporation to comply with Sections 1021 (dealing with amended applications) and 1035 (the filing of required information) in order to merge with or enter into a share exchange with a domestic (in-state) corporation. (HB 5315; effective 3/20/06)

- Q. Public Act 250 of 2006. Creates a new act to regulate the money transmission services business and to require the licensing of persons engaged in providing money transmission services. (HB 5328, effective 7/12/06)
- R. Public Act 302 of 2006. Amends the Motor Vehicle Sales Finance Act so that fees paid for the electronic titling and registration of a motor vehicle could be included in a motor vehicle installment sales contract. (HB 6175, effective 7/26/06)

II. NEW BILLS AND STATUS OF PENDING BILLS

- A. Senate Bill 14 of 2005: Would amend the Income Tax Act to provide a \$1,000 tax credit to taxpayers purchasing alternative energy vehicles. The Bill was referred to the Committee on Finance on January 12, 2005.
- B. Senate Bill 16 of 2005: Would introduce the “Check Cashing Licensing Act,” requiring any person or entity, with the exception of certain banks, credit unions, and governmental entities, to obtain a license under the Act before engaging in the business of check cashing. The Bill was referred to the Committee on Banking and Financial Institutions on January 12, 2005.
- C. Senate Bill 114 – 115 of 2005: Would add provisions to the Michigan Business Corporation Act and Michigan Limited Liability Company Act with regard to converting business entities, including the transfer of any unexpired certificate of assumed name held by the converting entity. Referred to the Committee on Commerce and Labor on February 1, 2005.
- D. Senate Bill 127 of 2005: Would introduce the “Michigan Telecommunications Act,” which would preclude cellular or mobile telecommunication service providers from providing, selling or including customer numbers with directory assistance without obtaining customer consent. The Bill was passed by the Senate and referred to the House Committee on Energy and Technology on March 1, 2006.
- E. Senate Bill 157 of 2005: Would amend the Single Business Tax Act to include in the tax base any settlement amount paid pursuant to an agreement with a state or federal governmental agency based on questionable practices related to stock or securities transactions to the extent that amount was deducted in determining taxable income. This would apply to tax years beginning after December 31, 2003. Deductions taken in 2002 or 2003 tax years would be added to the 2004 tax year only. Referred to the Committee on Finance on February 3, 2005.
- F. Senate Bill 164 of 2005: Would introduce the “Deferred Deposit Loan Act,” which requires a person or entity, with the exception of certain banks, credit unions and governmental entities, to obtain a license under the Act before providing deferred deposit loans for consideration. Referred to the Committee on Banking and Financial Institutions on February 3, 2005.

- G. Senate Bill 176 of 2005: Would introduce the “Money Transmission Services Act”, which regulates money transmission service businesses and requires licensing of persons engaged in providing money transmission services. Referred to the Committee on Banking and Financial Institutions on February 9, 2005.
- H. Senate Bill 300 of 2005. Would create the “Nonprofit Health Care Organization Conversion Act” to regulate the conversion and acquisition of a nonprofit health care organization, to prescribe the powers and duties of certain state agencies and departments, to require the disclosure of certain information, to provide for a hearing under certain circumstances, and to prescribe penalties and remedies. Referred to the Committee on Health Policy on March 10, 2005.
- I. Senate Bill 395 of 2005. Would amend 1978 PA 368, entitled "Public Health Code," to prohibit smoking in the workplace. Referred to the Committee on Government Operations on April 19, 2005.
- J. Senate Bill 494 of 2005: Would amend the Michigan Consumer Protection Act to preclude businesses from charging an amount for gasoline during an emergency period that exceeds the average price at which gasoline was readily obtainable within the emergency area during a seven day period preceding the emergency period. The Attorney General would provide statistical information and investigate any complaint alleging a violation of the law. Referred to the Committee on Government Operations on May 11, 2005.
- K. Senate Bill 534 of 2005: Would amend the Single Business Tax Act to provide that, for tax years beginning after December 31, 2005, if a person is engaged in the person’s first or second year of business activity in this state and the person’s apportioned or allocated gross receipts are less than \$500,000 for the tax year, the person need not file a return or pay the tax as provided under the Act. Reassigned to the Committee on Economic Development, Small Business and Regulatory Reform on May 26, 2005.
- L. Senate Bill 663 of 2005: Would amend the Single Business Tax Act to increase the possible reduction to adjusted tax base, for tax years beginning after December 31, 2005, for a taxpayer that has more than 1,000 full-time equivalent employees during the tax year and whose primary business is to supply temporary staffing employees. Passed in the Senate on October 18, 2005 and then referred to the House Committee on Tax Policy.
- M. Senate Bill 704 of 2005: Would amend the Single Business Tax Act to permit a taxpayer to claim a credit against the tax imposed by the Act equal to \$1,000 for each alternative energy vehicle the taxpayer purchased or leased in the tax year as a fleet car. Referred to the Committee on Technology and Energy on August 31, 2005.
- N. Senate Bill 753 of 2005. Would amend the Michigan Consumer Protection Act prohibiting price gouging of an essential commodity during a period of

emergency. Referred to the Committee on Commerce and Labor on September 13, 2005.

- O. Senate Bill 864 of 2005. Would amend the Michigan Single Business Tax with respect to professional employer organizations and certain credits. Referred to the Committee on Appropriations on November 3, 2005.
- P. Senate Bill 923 of 2005. Would create a new act which would require a dealer in a retail sale of farm vehicles to provide the buyer with a form that includes the make, model, year of manufacture and vehicle identification number of used farm vehicles, a statement that each used farm vehicle is or is not covered by a warranty, and a statement that each used farm vehicle is or is not sold “as is”. If a dealer fails to provide such form, or if the information in such form is incorrect or omitted, the buyer may rescind the sale at any time up to 2 years after the sale date and the dealer shall refund the full purchase price. The Bill was referred to the Committee on Transportation on December 6, 2005.
- Q. Senate Bill 979 of 2006. Would amend the General Sales Tax to increase the allowable aggregate of retail sales made by a nonprofit organization for exemption to \$25,000. Also, beginning January 1, 2007, this amount will be increased annually to the amount of gross receipts allowable under section 508(C)(1)(B) of the Internal Revenue Code, if that amount is greater than the amount allowable in the immediately preceding year. Referred to the Committee on Finance on January 24, 2006.
- R. Senate Bill 1053 of 2006. Would amend 1986 PA 87 to expand the vehicle lemon law to include new motor homes. The Bill was referred to the Committee on Commerce and Labor on February 22, 2006.
- S. Senate Bill 1279 of 2006. Would amend the Nonprofit Corporation Act to allow electronic transmissions to satisfy written notice and other requirements under the Act. The Bill was referred to the Committee on Commerce on June 8, 2006, but on September 21, 2006 notice was given that the Committee will be discharged from further considering Senate Bill 1279.
- T. Senate Bill 1293 of 2006. Would amend the Single Business Tax Act to provide that, after December 31, 2005, a taxpayer may claim a credit against the tax imposed under the Act equal to the amount of a work opportunity tax credit under Section 51 of the Internal Revenue Code, claimed by the taxpayer for the same tax year. If the amount of the credit allowed exceeds the tax liability of the taxpayer for the tax year, the portion of the credit that exceeds the liability will be refunded. The Bill was referred to the Committee on Finance on June 7, 2006.
- U. Senate Bill 1295 of 2006. Would amend the Debt Management Act to require a debtor and a debt management service to exchange and/or execute certain documents or agreements, including a written service agreement that includes specified information and terms. The bill was referred to the Committee on

Banking and Financial Services on June 7, 2006 (same content as House Bill 6121).

- V. Senate Bill 1300 of 2006. Would amend the General Sales Tax Act to exempt from tax the sale of tangible personal property for fund-raising purposes by a school, church, hospital, parent cooperative preschool, or nonprofit organization that has tax exempt status. The Bill was referred to the Committee on Finance on June 13, 2006.

- W. Senate Bill 1359 of 2006. Would amend the Michigan Consumer Protection Act to provide that charging a consumer fee for purchasing self-service gasoline by debit or credit card is unfair, unconscionable and/or deceptive for purposes of the Act, unless each pump dispensing self-service gasoline at the location is posted with a clear and conspicuous notice describing the purpose and amount of the fee. The Bill was referred to the Committee on Commerce and Labor on July 26, 2006.

- X. Senate Bill 1363 of 2006. Would amend the Tobacco Products Tax Act to regulate the distribution and acquisition of cigarettes in this state by and between wholesalers, retailers and unclassified acquirers, and to require licensure in most circumstances. The Bill requires that the Commissioner create and maintain a website identifying licensees under the Act, and identifying those with suspended or revoked licenses. The Bill specifies that the Commissioner shall terminate a license under certain circumstances. The Bill also provides that those making a sale of cigarettes through the Internet, telephone, or mail order transaction file a statement with the Department of Treasury. The Bill was referred to the Committee on Commerce and Labor on July 26, 2006.

- Y. Senate Bill 1478 of 2006: Would amend the Income Tax Act of 1967 to provide for a credit equal to 50% of the cost paid by a taxpayer for a computer filtering program designed to prevent viewing certain internet websites, chat rooms, etc. The Bill was referred to the Committee on Finance on September 20, 2006.

- Z. House Bill 4052 of 2005: Would prohibit the sale of cellular telephones and pagers to certain minors without written parental consent and prescribes civil sanctions. Referred to the Committee on Judiciary on January 27, 2005. On September 21, 2006, notice was given that the Committee will be discharged from further considering House Bill 4052.

- AA. House Bill 5206 of 2005. Would amend the Single Business Tax Act (MCL 208.35d) to provide an SBT credit to a motion picture production company that spends at least \$250,000 in the state for purposes related to the filming or production of a single motion picture. The credit would be equal to 130 percent of the company's tax liability attributable to the filming or production of a motion picture in the state, and would be available for tax years that begin before January 1, 2007. The credit would not apply to the filming of a motion picture of an obscene nature. If the credit and any unused carry-forward exceed the taxpayer's

tax liability, the excess would not be refundable but could be carried forward for 10 years or until the excess is exhausted, whichever occurs first. Additionally, a taxpayer could assign all or a portion of the credit. If the taxpayer both claims and assigns portions of the credit, the taxpayer would claim its portion in the tax year in which the activity occurs. The assignee would have to claim the credit in the same year in which the credit was assigned. House Bills 5204-5207 are tie-barred to each other. Referred to the Committee on Finance on November 9, 2005.

- BB. House Bills 5207 and 5208 of 2005. Would amend the Single Business Tax Act (MCL 208.35e) to add definitions for "motion picture", "motion picture production company", and "obscene matter or an obscene performance." House Bills 5204-5207 are tie-barred to each other. Referred to the Committee on Finance on November 9, 2005.
- CC. House Bill 5209 of 2005. Would amend the History, Arts, and Libraries Act (MCL 399.721) to require the state film office to adopt policies and standards for making state-owned property available to be used free of charge for film and television production in the state. House Bills 5204-5207 are tie-barred to each other. Referred to the Committee on Finance on November 9, 2005.
- DD. House Bill 5223 of 2005. Would amend the General Sales Tax Act, providing a sales tax exemption for the difference in sales price between alternative fuel vehicles and vehicles powered by motor fuel. Referred to the Committee on Tax Policy on September 27, 2005.
- EE. House Bill 5263 of 2005. Would amend the Banking Code of 1999 to require bank employees to report suspected financial abuse of an elder. Referred to the Committee on Banking and Financial Services on October 6, 2005, but on September 21, 2006 notice was given that the Committee will be discharged from further considering House Bill 5263. On November 14, 2006 the motion to discharge the Committee from further considering House Bill 5263 was rejected.
- FF. House Bill 5298 of 2005. Would amend the Savings Bank Act to require savings bank employees to report suspected financial abuse of an elder. Referred to the Committee on Banking and Financial Services on October 18, 2005, but on September 21, 2006 notice was given that the Committee will be discharged from further considering House Bill 5298. On November 14, 2006 the motion to discharge the Committee from further considering House Bill 5298 was rejected.
- GG. House Bill 5299 of 2005. Would amend the Credit Union Act to require credit union employees to report suspected financial abuse of an elder. Referred to the Committee on Banking and Financial Services on October 18, 2005.
- HH. House Bill 5338 of 2005. Would amend the Savings and Loan Act of 1980 to require savings and loan employees to report suspected financial abuse of an elder. Referred to the Committee on Banking and Financial Services on October

19, 2005, but on September 21, 2006 notice was given that the Committee will be discharged from further considering House Bill 5338. On November 14, 2006 the motion to discharge the Committee from further considering House Bill 5338 was delayed.

- II. House Bill 5437 of 2005. Would amend the Michigan Consumer Protection Act with respect to gift certificates and gift cards. Referred to the Committee on Commerce on November 22, 2005.
- JJ. House Bill 5487 of 2005. Would amend the General Property Tax Act to exempt supporting housing property from the collection of taxes beginning December 31, 2002. The owner of supporting housing property may claim an exemption by filing an affidavit on or before December 31 in the year in which the act becomes effective. The Bill defines “supportive housing property” as real property owned by a nonprofit charitable organization exempt under section 501(c)(3) of the internal revenue code, and that meets a number of conditions specified in the Bill. The Bill passed the House on December 13, 2005 and was referred to the Senate Committee on Local, Urban and State Affairs on January 11, 2006.
- KK. House Bill 5491 of 2005. Would create a new act allowing an individual entering military service for more than 90 days to cancel a motor vehicle lease without liability, except for damages to the vehicle or excess mileage over the pro rata amount permitted. The Bill was referred to the Committee on Commerce on December 8, 2005.
- LL. House Bill 5530 of 2005. Would amend the Michigan Consumer Protection Act to make it unlawful for a person engaged in the retail sale of goods to issue a gift certificate or gift card to a consumer that expires or charging an inactivity fee or other service fee to a consumer when he or she uses the gift certificate or gift card. The Bill was referred to the Committee on Commerce on December 29, 2005.
- MM. House Bill 5679 of 2006. Would amend the Business Corporation Act to give shareholders the exclusive power to amend or repeal bylaws upon majority vote. The Bill would also set the term of office of a director at 3 years, rendering a different term of office specified in the articles of incorporation or bylaws unenforceable. The Bill was referred to the Committee on Commerce on February 15, 2006.
- NN. House Bill 6008 of 2006. Would amend the Single Business Tax Act to increase the filing threshold to: \$250,000 for tax years beginning after December 31, 1994 and before January 1, 2003; \$350,000 for tax years beginning after December 31, 2002 and before January 1, 2006; and \$1,000,000 for tax years beginning after December 31, 2005. The Bill was referred to the Committee on Tax Policy on April 27, 2006.

- OO. House Bill 6051 of 2006. Would amend the General Sales Tax Act to increase the sales threshold for exemption for nonprofit organizations from \$5,000 to \$10,000 per calendar year. Referred to the Committee on Tax Policy on May 10, 2006.
- PP. House Bill 6061 of 2006. Would amend the Uniform Securities Act to include viatical settlement investments. The Bill was referred to the Committee on Insurance on May 16, 2006.
- QQ. House Bill 6121 of 2006. Would amend the Debt Management Act to require a debtor and a debt management service to exchange and/or execute certain documents or agreements, including a written service agreement that includes specified information and terms. The bill was referred to the Committee on Banking and Financial Services on June 1, 2006 (same content as Senate Bill 1295).
- RR. House Bill 6222 of 2006. Would amend the Minimum Wage Law of 1964 to increase the number of employees required to be an “employer” under the Act from 2 to 50 at any one time within the calendar year. The Bill was referred to the Committee on Commerce on June 20, 2006.
- SS. House Bill 6272 of 2006. Would create the Business Activities Licensing Fee Act, which would impose a business license fee which would be based upon a person’s sales allocated or apportioned to this state. License fees would range from \$1,000 (for those with sales of \$350,001 to \$500,000) to as much as \$1,000,000 (for those with sales of \$100,000,001 or more). The Bill was referred to the Committee on Tax Policy on June 27, 2006.
- TT. House Bill 6279 of 2006. Would amend the Revised Judicature Act of 1961 to create a Business Court (a division of Circuit Court), organized to allow business and/or commercial disputes to be resolved efficiently and consistently. The Business Court would have jurisdiction to hear business or commercial disputes in which the amount in controversy exceeds \$25,000. The Bill was referred to the Committee on Judiciary on June 28, 2006.
- UU. House Bill 6299 of 2006. Would amend the Banking Code of 1999 to address the trust powers of banks. It would provide that there is a rebuttable presumption that a bank’s fee for its fiduciary services is reasonable as required under the Code if the fee or its method of computation is specified in an appropriately disclosed fee schedule or fee agreement before the fee is charged. The Bill would also allow a bank to use money or property over which it exercises investment discretion to purchase any product, service, or security from or through the bank or an affiliate of the bank (if the price is reasonable) so long as the bank obtains the written consent of a revocable trust grantor or agency principal or, if the trust is irrevocable or the trust grantor is deceased or incapacitated, if the bank provides 45 days advanced notice to any person entitled to receive trust accountings under Section 7303 of EPIC. If a bank receives a written objection to a notice, and the

objection is not resolved or withdrawn, the bank may not make a purchase for at least 60 days after it receives the objection. The Bill passed the House on September 21, 2006, and was referred to the Senate Committee on Banking and Financial Institutions on November 9, 2006.

- VV. House Bill 6355 of 2006. Would amend the Michigan Telecommunications Act to require a commercial mobile radio service supplier or reseller to obtain the name, address and drivers license number or other acceptable form of photo identification for each of its prepaid customers. The Bill was referred to the Committee on Energy and Technology on August 16, 2006.
- WW. House Bill 6388 of 2006: Would amend the Motor Fuel Distribution Act to require that a franchisor offer to provide a franchisee with an alternative motor fuel, or else a franchisee shall have the option to purchase or sell alternative motor fuels from a refiner or distributor other than the franchisor. Also, the franchisor may not limit the quantity of alternative motor fuel purchased from a refiner or distributor other than the franchisor. Any provision in a franchise agreement that directly or indirectly discourages a franchisee from purchasing or selling alternative motor fuel shall be void and unenforceable. A franchisor that threatens, harasses, coerces or attempts to coerce a franchisee for the purpose of compelling the franchisee to refrain from purchasing alternative motor fuel from other sources is guilty of a misdemeanor punishable by a fine of not more than \$1,000 for each violation. The Bill was referred to the Committee on Commerce on August 30, 2006.
- XX. House Bills 6396 and 6397 of 2006. House Bill 6396 would amend the General Sales Tax Act to provide that if a motor vehicle is used as part payment in a taxable sale at retail of another motor vehicle, the gross proceeds are the difference between the agreed-upon value of the motor vehicle used as part payment of the purchase price and the full retail price of the motor vehicle being purchased. House Bill 6397 would amend the Use Tax Act to provide that the price of a motor vehicle is the full retail price of the motor vehicle being purchased minus the agreed-upon value of any motor vehicle used as part payment of the purchase price. The Bills were referred to the Committee on Tax Policy on September 5, 2006.
- YY. House Bill 6423 of 2006. Would amend the Michigan Consumer Protection Act to provide that unfair, unconscionable or deceptive methods for purposes of the Act expressly includes a rental vehicle company charging a consumer for the repair of damage to a motor vehicle caused by a fire, flood, earthquake, hurricane, tornado, wind, rain, or snowstorm or other natural disaster or act of God. The Bill was referred to the Committee on Commerce on September 6, 2006.
- ZZ. House Bills 6432 – 6436 of 2006. Would amend the Michigan Penal Code to provide a definition of the crime of residential mortgage fraud. It would amend the Code of Criminal Procedure to add residential mortgage fraud to the sentencing guidelines for felonies. The Occupational Code would be amended to

prohibit a real estate appraiser from developing an appraisal for a real estate-related financial transaction based on a client's precondition about the appraisal's outcome. The Mortgage Brokers, Lenders and Servicers Licensing Act would be amended to prohibit a professional regulated under the Act from coercing or inducing a real estate appraiser to inflate the value of property used as collateral for a mortgage loan. Also, the Michigan Consumer Protection Act would be amended to add committing residential mortgage fraud to the list of unfair, unconscionable or deceptive acts or practices in the conduct of trade or commerce. The Bills were referred to the Committee on Banking and Financial Institutions on September 20, 2006.

- AAA. House Bill 6513 of 2006. Would amend the Income Tax Act of 1967 to provide for a \$500 credit for each alternative fuel vehicle purchased in the tax year. If the amount of credit exceeds the tax liability of the taxpayer for the tax year, that portion of the credit that exceeds the tax liability shall be refunded. The Bill was referred to the Committee on Tax Policy on September 14, 2006.
- BBB. House Bill 6535 of 2006. Would create the Charitable Foundations Accountability Act, which would regulate state private foundations. The Bill was referred to the Committee on Commerce on September 19, 2006.
- CCC. House Bill 6546 of 2006. Would amend the Secondary Mortgage Loan Act to provide that the making of secondary mortgage loans without a license or coercing or inducing a real estate appraiser to inflate the value of real property used as collateral for a secondary mortgage loan is a misdemeanor punishable by a fine of not more than \$5,000 and/or imprisonment for not more than 3 years. The Bill was referred to the Committee on Banking and Financial Services on September 20, 2006.
- DDD. House Bill 6565 of 2006. Would amend the Public Health Code to require a manufacturer to keep a detailed record of the value, nature, and purpose of any gifts, fees, payments, subsidies or other economic benefits provided in connection with pharmaceutical detailing, marketing, advertising or other promotional activities directed to a pharmacist or dispensing prescriber, or his or her designee. A manufacturer shall submit a report detailing this information by December 31, 2008, and each year thereafter. The Bill was referred to the Committee on Health Policy on September 20, 2006.
- EEE. House Bill 6653 of 2006. Would amend Sections 12 and 13 of the Motor Vehicle Sales Finance Act to require sellers to set forth specific language in installment contracts in order to notify the buyer whether the buyer's consumer credit score was used in connection with the sale, and to disclose the credit score to the buyer. The Bill would also require an installment seller who is a dealer to offer the buyer a contract cancellation option agreement that would allow the buyer to return the motor vehicle without cause subject to certain limitations. The amount of the contract cancellation option would be limited to between \$75 and \$400, depending upon the purchase price of a vehicle. A limited restocking fee would

also be chargeable. The period during which the option would be exercisable would be no less than the seller's close of business on the second day following the day on which the motor vehicle was delivered and no mileage limitation could be less than 250 miles. The Bill was referred to the Committee on Commerce on November 14, 2006.

- FFF. House Bill 6654 of 2006. Would amend the Michigan Strategic Fund Act by adding a section that would require the Michigan Economic Development Corporation and the Public Service Commission to establish and operate a Center for Energy Efficiency for Michigan businesses. The Center would establish and operate a low-interest revolving loan program to assist businesses with installation of energy-efficient equipment. The Bill was referred to the Committee on Commerce on November 14, 2006.

Respectfully submitted,

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