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BILL ANALYSIS

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House Bill 4636 (Substitute H-2 as reported without amendment)

Sponsor: Representative Dave Hildenbrand

House Committee: Commerce

Senate Committee: Commerce and Labor

CONTENT

The bill would amend the consumer item pricing Act, which the bill would name the "Pricing Modernization Act", to do all of the following:

- Exempt additional items from the Act's item pricing requirements.
- Increase from 25 to 75 the number of classes of items or individual items that a retailer may choose not to price mark.
- Make exceptions to the Act's item pricing requirements for items that were not food or nonprescription medicine, if the retailer met certain requirements (described below).
- Prohibit a person from knowingly charging a price exceeding the price displayed or printed as required for the nonfood and nondrug exception, and specify civil remedies.

The Act requires the total price of a consumer item displayed or offered for sale at retail to be stamped upon or affixed to the consumer item or the outside surface of the container or package containing the consumer item, subject to certain exceptions. The bill would make exceptions to this requirement for: frozen food; qualified perishable products (generally, dairy products and eggs); trees, seeds, and bulbs (in addition to live plants); and items that had a total weight of three ounces or less, a total volume of three cubic inches or less, or a total price of 99 cents or less. (Currently, items having a total weight of three ounces or less, a total volume of three cubic inches or less, and a total price of 30 cents or less are exempt.)

To qualify for the proposed exception for nonfood and nondrug items, a retailer would have to do the following:

- Post a label or sign above, below, or adjacent to the item that clearly and conspicuously displayed the item's price.
- Use an automated checkout system, audited quarterly, that had an accuracy rate of at least 98% or a maximum error rate of 2%.
- Either provide at least one remote UPC code scanner available for each 5,000 square feet of retail floor selling space, or at least one scanner for every 10,000 square feet if the scanner allowed a consumer to print a price label; or provide a price verification terminal, capable of scanning a consumer's receipt and printing the price of items on it, at each consumer exit.

MCL 445.351 et al.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 12-8-06

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