



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 702 (as reported without amendment)
Sponsor: Senator Jason E. Allen
Committee: Commerce and Tourism

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.
- Require food or nonprescription medicine items sold by weight or volume to display the total price of the item and the price per unit of weight or volume.
- 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 in at least 18-point font.
- Use an automated checkout system, audited quarterly, that had an accuracy rate of at least 98% or a maximum error rate of 2%.
- 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: 11-12-08

Fiscal Analyst: Joe Carrasco
Jessica Runnels