

HOUSE BILL No. 4962

June 14, 2001, Introduced by Rep. Frank and referred to the Committee on Commerce.

A bill to require certain notices and information disclosure in connection with sweepstakes solicitations; to provide remedies; and to prescribe civil penalties.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "sweepstakes solicitation act".

3 Sec. 2. As used in this act:

4 (a) "Person" means an individual, partnership, corporation,
5 limited liability company, association, or other legal entity.

6 (b) "Solicit" or "solicitation" means to procure or attempt
7 to procure an individual's participation in an activity.

8 (c) "Sweepstakes" means a contest or game in which a prize
9 is distributed by lot or chance and for which a permit or license
10 to operate in this state is not required.

1 Sec. 3. (1) A person shall not solicit an individual to
2 enter a sweepstakes unless the person does all of the following:

3 (a) If the solicitation is in writing or delivered to the
4 individual personally, provide the individual with the written
5 statement described in subsection (2) at the time of the
6 solicitation.

7 (b) If the solicitation is by telephone, mail to the indi-
8 vidual the written statement described in subsection (2) within
9 24 hours after making the solicitation.

10 (c) If the solicitation is in writing and concealed in an
11 envelope, provide the information described in subsection (2) on
12 the exterior of the envelope.

13 (2) A person who solicits an individual to participate in a
14 sweepstakes shall provide the individual with a written statement
15 that includes all of the following in at least 14-point type:

16 (a) Notice that the recipient of the solicitation is not an
17 actual winner of the sweepstakes.

18 (b) Specification of all costs that the individual may incur
19 by participating in the sweepstakes.

20 (c) Either of the following:

21 (i) A full description of the requirements for becoming a
22 participant in the sweepstakes.

23 (ii) A summary of the requirements for becoming a partici-
24 pant in the sweepstakes and a statement specifying that a full
25 explanation of participation requirements is enclosed in a sepa-
26 rate document.

1 (3) A person who summarizes the requirements for becoming a
2 sweepstakes participant under subsection (2)(c)(ii) shall include
3 with the summary a separate document containing a full explana-
4 tion of participation requirements.

5 (4) An individual injured by a violation of this section may
6 recover his or her actual damages or \$1,000.00, whichever is
7 greater.

8 (5) In addition to liability for the remedy described in
9 subsection (4), a person who violates this section is subject to
10 a civil fine of not more than \$5,000.00 for each violation.