MICHIGAN CITIZEN ACTION
ORGANIZING CHANGE. GETTING RESULTS.
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To: The Honorable Wayne Schmidt, Chair House Commerce Committee

House Commerce Committee Members

From: Linda Teeter, Executive Director, Michigan Citizen Action

Date: February 1, 2011

RE: HB 4158, "Shopping Reform and Modernization Act" Testimony

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My name is Linda Teeter, and I am Executive Director of Michigan Citizen Action.

In the Governor's State of the State Address on January 19th, he stated, " Third, we will propose the elimination or modification of antiquated laws. While some laws need updating, other laws are simply relics of a time passed and need to be scrapped."

And we agree there are many Michigan statutes that need modification and this is one. However, it is important to consider how modifications and updates will impact consumers. In this case, consumers will be forced to be unpaid store clerks, by having to utilize the end aisle scanners or carry a grease pencil to price their own items.

Michigan Citizen Action does not support a straight out repeal or replacement of the Public Act 449 of 1976 that does not include item pricing for food and over the counter medications.

Remember when cell phones were first introduced in a phased in approach? The first cell phones were large bagged phones, and over time have resulted into today's technology. Consumers gradually adapted along the way – from those large bag phones to today's trend of cell phones replacing landlines. I use this analogy, because Michigan Citizen Action wants to ensure that the interests of consumers are protected as we work together to update laws that promote new technologies, and meet the needs of retailers and grocers.

The following is a list of modifications, which we believe recognizes the need for updating while moving consumers into the new age of shopping.

1) The law must be applied universally and not have one set of laws for Kroger and Meijer and another set of laws for Sam's Club and Costco.

- More on reverse side -

2) Provide for a three-year sunset, so that Michigan is not in this position again as technology changes – our laws must be kept current.

3) Include a yearly report to the legislature – to be considered by the Commerce Committee which details the following:

   a) Status of the implementation of the act
   b) Problems which have been encountered by the designated oversight agency
   c) Any need for amendments to the law based on consumer experience

4) Include a penalty like the current $1.00 to $5.00 fee for overcharges as a "financial disincentive" for retailers that trick customers. There must be a punishment to a retailer who unfairly prices an item, and some reward to a customer who receives an item that is inaccurately priced – no matter what method of pricing is being used.

5) Require that over the counter medications to be individually priced.

6) Require basic food staples to be individually priced including: meat, seafood, canned goods, and dairy items. Exemptions could be made for large/heavy items like softener salts, shovels, dog foods, as well as frozen foods and baby foods.

7) Designate the appropriate state agency to monitor and enforce the law, and not leave it up to the county prosecutors to protect consumers. They have much bigger responsibilities by protecting the public from criminals.

8) Require retailers to provide consumers with notice of the upcoming changes in the item pricing law such as:

   a) Posting at the register
   b) Notice to be printed and placed in the shopping bags of consumers
   c) Printed on the cash register receipt

In closing, this type of action by the legislature often has consumers – shaking their heads. How do they really benefit?

Will prices really be reduced by 9% in Michigan?

We ask that the committee and the Legislature carefully consider our suggestions in modifying, not repealing the Michigan Item Pricing Law.