



MEMORANDUM

To: Members of the Senate Finance, Insurance and Consumer Protection

From: Shane Hernandez, ABC of Michigan
 Craig Puckett, Big I Michigan
 Joelle Demand, Broadband Association of Michigan
 Brian Shoaf, Detroit Regional Chamber
 Josh Lunger, Grand Rapids Chamber
 Dawn Crandall, Home Builders Association of Michigan
 Richie Farran, Health Care Association of Michigan
 Dyck Van Koevering, Insurance Alliance of Michigan
 Traci Riehl, Life Insurance Association of Michigan
 Bob Doyle, Michigan Association of CPAs
 Kurt Berryman, Michigan Automobile Dealers Association
 Patricia Herndon, Michigan Bankers Association
 Stephen Rapundalo, PhD, Michigan Biosciences Industry Association
 Wendy Block, Michigan Chamber
 Rob Anderson, Michigan Farm Bureau
 Phil Douma, Michigan Funeral Directors Association
 Mike Frederick, Michigan Ground Water Association
 Elizabeth Kutter, Michigan Health & Hospital Association
 Lance Binoniemi, Michigan Infrastructure and Transportation Association
 John Lindley, Michigan Manufactured Housing, RV, and Campground Association
 Dave Worthams, Michigan Manufacturers Association
 Brad Ward, Michigan Realtors Association
 Andrew Beardslee, Michigan Retailers Association
 Amanda Fisher, National Federation of Independent Business
 Kelli Saunders, Small Business Association of Michigan

Date: May 7, 2025

Subject: Business Groups Voice Opposition to SB 134

We writing to voice our opposition to Senate Bill 134, which repeals the regulatory compliance exemption under the Michigan Consumer Protection Act (MCPA). We oppose this legislation because it

would expose businesses of all sizes and industries to costly MCPA lawsuits which would be layered on top of penalties and regulatory enforcement mechanisms already authorized under Michigan law. Currently, the MCPA does not apply to “[a] transaction or conduct specifically authorized under laws administered by a regulatory board or officer acting under statutory authority of this state or the United States.” In its *Globe* decision, the Michigan Supreme Court (MSC) interpreted this to mean the following: if a person or company is licensed or approved to engage in a certain business or profession, and the transaction at issue falls within the scope of that license, that conduct falls *outside* the MPCA.

While the *Globe*, *Smith* and *Liss* rulings do not give a *complete* exemption to regulated industries from the MCPA (i.e., if the person or business is operating outside the scope of the occupation or profession, there could be an MCPA claim), it does provide protections.

If the legislation is passed, nearly every industry and profession regulated under state and federal law will be subject to lawsuits, including class action lawsuits and treble damages, under the MCPA, including:

- Hospitals
- Real estate brokers, agents, appraisers and schools
- Accountants
- Collection agents and agencies
- Insurance agents
- Personnel agents and agencies
- Employment agents and agencies
- Consultant agents and agencies
- Morticians
- Funeral homes
- Cemeteries
- Architects
- Engineers
- Surveyors
- Foresters
- Landscape architects
- Community planners
- Residential builders
- Residential maintenance and construction contractors
- Alcoholic beverage wholesalers and retailers
- Telecommunications companies
- Automakers
- Auto dealers and dealerships
- Owners/operators/developers of condo projects
- Residential builders and maintenance and construction contractors’ salespersons
- Chiropractors
- Dentists
- Audiologists
- Therapists
- Physicians
- Nurses
- Optometrists
- Nursing homes
- Pharmacists
- Physical therapists
- Counselors
- Podiatrists
- Psychologists
- Physician assistants
- Plumbers
- Medical device retailers
- Forensic polygraph examiners
- Land surveyors
- Occupational therapists
- Sanitarians
- Social workers
- Veterinarians
- Respiratory care professionals
- Mechanics
- Motor vehicle repair facilities
- Limousine companies
- Railroads
- Airlines
- Owners/operators of manufactured housing communities
- Local governments (relative to the services they provide)

- Investment brokers/advisors
- Finance Companies
- Mortgage brokers and lenders
- Casinos
- Horse racing tracks
- National banks
- Federal credit unions
- Firearm manufacturers and dealers
- Pharmaceutical companies
- Cosmetic retailers
- Grain dealers
- Livestock dealers
- Horse breeders
- Pet shops
- Dog pounds
- Animal shelters
- Barbershop schools
- Cosmetology schools
- Barbers
- Barber shops
- Cosmetologists
- Electrologists
- Manicurists
- Estheticians
- Hearing aid dealers, retailers and salespersons
- Insurers

Layering on another level of lawsuits does little to protect consumers and much to burden Michigan businesses. In fact, most of the businesses that would be affected by a decision overturning *Globe, Smith* and *Liss* are not large multinational corporations — they are small- to medium-sized businesses and individual practitioners who cannot afford to defend a wellspring of newly authorized consumer lawsuits on top of penalties already authorized under their regulatory statute.

We respectfully encourage you to preserve the current test under the MCL 445.904(1)(a), which effectively balances the interests of consumers with the interests of Michigan businesses and professional services providers. The MCPA provides consumers an avenue to redress injuries inflicted by “unfair, unconscionable, or deceptive methods, acts, or practices” (MCL 445.903), but it recognizes that, in highly regulated industries, regulations already exist to serve as safeguards against that kind of deceptive conduct (MCL 445.904(1)(a)). We encourage retention of this well-functioning and well-settled balance.

Thank you for your consideration. Please contact any of the individuals on this memo with questions.