

REGULATION OF CERTAIN SALES (EXCERPT)
Act 39 of 1961, as amended

442.211 Conduct of certain sales; definitions.

Sec. 1. As used in this act:

(a) "Going out of business sale" means any sale, whether described by such name or by any other name such as, but not limited to, "closing out sales", "liquidation sales", "lost our lease sale", "forced to vacate sale", held in such a manner as to indicate a belief that upon disposal of the stock of goods on hand, the business will cease and discontinue at the premises where the sale is conducted.

(b) "Goods" means all goods, wares, merchandise and other personal property, excepting, choses in action and money.

(c) "Person" includes a person, firm, corporation, partnership, association or 2 or more persons having a joint or common interest.

(d) "Removal sale" means any sale held in such a manner as to induce a belief that upon disposal of that stock of goods on hand, the business will cease and discontinue at the premises where the sale is conducted, and thereafter will be moved to and occupy another location.

History: 1961, Act 39, Eff. Sept. 8, 1961.

442.212 Conduct of certain sales; license required, application of act.

Sec. 2. No person shall advertise, represent or hold out that any sale of goods is an insurance, bankruptcy, mortgage, insolvent, assignee's, executor's, administrator's, receiver's, trustee's, removal or sale, going out of business or sale of goods damaged by fire, smoke, water or otherwise, unless he first obtains a license to conduct the sale from the clerk of the city, village or township in which he proposes to conduct a sale. This act shall not apply to any sales by a person regularly engaged in insurance or salvage sale of goods, or the sale of goods which have been damaged by fire, smoke, water or otherwise, who acquired the goods for the account of others as a result of fire or other casualty.

History: 1961, Act 39, Eff. Sept 8, 1961

442.213 Licenses; application, contents.

Sec. 3. Any applicant for a license under this act shall file an application in writing and under oath with the appropriate clerk setting out the following facts and information regarding such a proposed sale:

(a) The name and address of the applicant for the license, who must be the owner of the goods to be sold, and in addition, if the applicant is a partnership, corporation, firm or association, the name and the position of the individual filing such application.

(b) The name and style in which such sale is to be conducted, and the address where the sale is to be conducted.

(c) The dates and period of time during which the sale is to be conducted.

(d) The name and address of the person who will be in charge and responsible for the conduct of the sale.

(e) A full explanation with regard to the condition or necessity which is the occasion for the sale, including a statement of the descriptive name of the sale and the reason why the name is truthfully descriptive of the sale. If the application is for a license to conduct a going out of business sale, it shall also contain a statement that the business will be discontinued at the

premises where the sale is to be conducted upon termination of the sale. If the application is for a license to conduct a removal sale, it shall also contain a statement that the business will be discontinued at the premises where the sale is to be conducted upon termination of the sale, in addition to the location of the premises to which the business is to be moved. If the application is for a license to conduct a sale of goods damaged by fire, smoke, water or otherwise, it shall also contain a statement as to the time, location and cause of the damage.

(f) A full, detailed and complete inventory of the goods that are to be sold, which inventory shall;

(1) Itemize the goods to be sold and contain sufficient information concerning each item, including make and brand name, if any, to clearly identify it.

(2) List separately any goods which were purchased during a 60-day period immediately prior to the date of making application for the license.

(3) Show the cost price of each item in the inventory together with the name and address of the seller of the items to the applicant, the date of the purchase, the date of the delivery of each item to the applicant and the total value of the inventory at cost.

(4) In no case exceed 200% of the total value of merchandise upon which personal property tax was paid by the applicant or his predecessor as evidence by a copy of the last personal property tax receipt issued.

(g) A statement that no goods will be added to the inventory after the application is made or during the sale and that the inventory contains no goods received on consignment.

History: 1961, Act 39, Eff. Sept. 8, 1961; - Am. 1963, Act 219, Eff. Sept 6, 1963.

442.221 Conduct of sales; purchase of goods prior to sale prohibited; evidence.

Sec. 11. No person in contemplation of conducting an insurance, bankrupt, mortgage, insolvent, assignee's, executor's, administrator's, receiver's, trustee's, removal or going out of business sale, or a sale of goods damaged by fire, smoke, water or otherwise, under a license as provided in this act shall order any goods for the purpose of selling and disposing of the same at such sale. Any unusual purchase and additions to the stock of goods within 60 days prior to the filing of the application for license to conduct the sale shall be presumptive evidence that the purchases and additions to stock were made in contemplation of the sale and for the purpose of selling the same at the sale.

History: 1961, Act 39, Eff. Sept. 8, 1961.

442.222 Conduct of sales; addition of goods during sale, false description or inventory prohibited.

Sec. 12. No person carrying on or conducting an insurance, bankrupt, mortgage, insolvent, assignee's, executor's, administrator's, receiver's, trustee's, removal or going out of business sale, or sale of goods damaged by fire, smoke, water or otherwise, under a license as provided in this act shall add, during the continuance of the sale, any goods to the stock of goods described and inventoried in his original application for the license. No goods shall be sold at or during the sale, excepting the goods described and inventoried in the original application. Every addition of goods to the stock of goods described and inventoried in the application and each sale of goods not inventoried and described in the application shall constitute a separate offense under this act, and shall void any license issued to conduct a sale under this act.

History: 1961, Act 39, Eff. Sept 8, 1961.

442.223 Advertisement before compliance with act, penalty.

Sec. 13. Any person who advertises, represents or holds out any sale of goods to be an insurance, bankrupt, mortgage, insolvent, assignee's, executor's, administrator's, receiver's trustee's, removal or going out of business sale, or a sale of goods damaged by fire, water, smoke or otherwise, without having first complied nor more than \$500.00 or shall be imprisoned in the county jail for not less than 10 days and not more than 6 months, or both.

History: 1961, Act 39, Eff. Sept 8, 1961.

442.224 Violation of act; misdemeanor, penalty.

Sec. 14. Any person who holds, conducts or carries on any sale of goods as an insurance, bankrupt, mortgage, insolvent's, assignee's, executor's, administrator's, receiver's, trustee's, removal or going out of business sale, or sale of goods damaged by fire, smoke, water, or otherwise, contrary to the provisions of this act, or who violates any of the provisions of this act is guilty of a misdemeanor, and shall be fined in a sum of not less than \$100.00 nor more than \$500.00 or shall be imprisoned in the county jail for not less than 10 days and not more than 6 months, or both.

History: 1961, Act 39, Eff. Sept. 8, 1961.