AN ACT concerning regulation.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. The Hearing Instrument Consumer Protection Act is amended by changing Sections 3 and 6 as follows:

(225 ILCS 50/3) (from Ch. 111, par. 7403)

(Section scheduled to be repealed on January 1, 2016)

Sec. 3. Definitions. As used in this Act, except as the context requires otherwise:

"Department" means the Department of Public Health.

"Director" means the Director of the Department of Public Health.

"License" means a license issued by the State under this Act to a hearing instrument dispenser.

"Licensed Audiologist" means a person licensed as an audiologist under the Illinois Speech-Language Pathology and Audiology Practice Act.

"National Board Certified Hearing Instrument Specialist" means a person who has had at least 2 years in practice as a licensed hearing instrument dispenser and has been certified after qualification by examination by the National Board for Certification in Hearing Instruments Sciences.

"Licensed physician" or "physician" means a physician

licensed in Illinois to practice medicine in all of its branches.

"Trainee" means a person who is licensed to perform the functions of a hearing instrument dispenser in accordance with the Department rules and only under the direct supervision of a hearing instrument dispenser or audiologist who is licensed in the State.

"Board" means the Hearing Instrument Consumer Protection Board.

"Hearing instrument" or "hearing aid" means any wearable instrument or device designed for or offered for the purpose of aiding or compensating for impaired human hearing and that can provide more than 15 dB full on gain via a 2cc coupler at any single frequency from 200 through 6000 cycles per second, and any parts, attachments, or accessories, including ear molds. "Hearing instrument" or "hearing aid" do not include batteries, cords, ~~instrument or device designed, intended, or offered for the purpose of improving a person's hearing and any parts, attachments, or accessories, including earmold. Batteries, cords, and individual~~ or group auditory training devices and any instrument or device used by a public utility in providing telephone or other communication services are excluded.

"Practice of fitting, dispensing, or servicing of hearing instruments" means the measurement of human hearing with an audiometer, calibrated to the current American National Standard Institute standards, for the purpose of making

selections, recommendations, adaptions, services, or sales of hearing instruments including the making of earmolds as a part of the hearing instrument.

"Sell" or "sale" means any transfer of title or of the right to use by lease, bailment, or any other contract, excluding wholesale transactions with distributors or dealers.

"Hearing instrument dispenser" means a person who is a hearing care professional that engages in the selling, practice of fitting, selecting, recommending, dispensing, or servicing of hearing instruments or the testing for means of hearing instrument selection or who advertises or displays a sign or represents himself or herself as a person who practices the testing, fitting, selecting, servicing, dispensing, or selling of hearing instruments.

"Fund" means the Hearing Instrument Dispenser Examining and Disciplinary Fund.

"Hearing Care Professional" means a person who is a licensed audiologist, a licensed hearing instrument dispenser, or a licensed physician.

(Source: P.A. 96-846, eff. 6-1-10.)

(225 ILCS 50/6) (from Ch. 111, par. 7406)

(Section scheduled to be repealed on January 1, 2016)

Sec. 6. Mail order <u>and Internet</u> sales. Nothing in this Act shall prohibit a corporation, partnership, trust, association, or other organization, maintaining an established business

address, from engaging in the business of selling or offering for sale hearing instruments at retail by mail or by Internet to persons 18 years of age or older who have not been examined by a licensed physician or tested by a licensed hearing instrument dispenser provided that:

(a) The organization is registered by the Department prior to engaging in business in this State and has paid the fee set forth in this Act.

(b) The organization files with the Department, prior to registration and annually thereafter, a Disclosure Statement containing the following:

(1) the name under which the organization is doing or intends to do business and the name of any affiliated company which the organization recommends or will recommend to persons as a supplier of goods or services or in connection with other business transactions of the organization;

(2) the organization's principal business address and the name and address of its agent in this State authorized to receive service of process;

(3) the business form of the organization, whether corporate, partnership, or otherwise and the state or other sovereign power under which the organization is organized;

(4) the names of the directors or persons performing similar functions and names and addresses of the chief executive officer, and the financial, accounting, sales,

and other principal executive officers, if the organization is a corporation, association, or other similar entity; of all general partners, if the organization is a partnership; and of the owner, if the organization is a sole proprietorship, together with a statement of the business background during the past 5 years for each such person;

(5) a statement as to whether the organization or any person identified in the disclosure statement:

(i) has during the 5 year period immediately preceding the date of the disclosure statement been convicted of a felony, pleaded nolo contendere to a felony charge, or been held liable in a civil action by final judgment, if such felony or civil action involved fraud, embezzlement, or misappropriation of property, and a description thereof; or

(ii) is subject to any currently effective injunctive or restrictive order as a result of a proceeding or pending action brought by any government agency or department, and a description thereof; or

(iii) is a defendant in any pending criminal or material civil action relating to fraud, embezzlement, misappropriation of property or violations of the antitrust or trade regulation laws of the United States or any state, and a description thereof; or

(iv) has during the 5 year period immediately

preceding the date of the disclosure statement had entered against such person or organization a final judgment in any material civil proceeding, and a description thereof; or

(v) has during the 5 year period immediately preceding the date of the disclosure statement been adjudicated a bankrupt or reorganized due to insolvency or was a principal executive officer or general partner of any company that has been adjudicated a bankrupt or reorganized due to insolvency during such 5 year period, and a description thereof;

(6) the length of time the organization and any predecessor of the organization has conducted a business dealing with hearing instrument goods or services;

(7) a financial statement of the organization as of the close of the most recent fiscal year of the organization. If the financial statement is filed later than 120 days following the close of the fiscal year of the organization it must be accompanied by a statement of the organization of any material changes in the financial condition of the organization;

(8) a general description of the business, including without limitation a description of the goods, training programs, supervision, advertising, promotion and other services provided by the organization;

(9) a statement of any compensation or other benefit given or promised to a public figure arising, in whole or in part, from (i) the use of the public figure in the name or symbol of the organization or (ii) the endorsement or recommendation of the organization by the public figure in advertisements;

(10) a statement setting forth such additional information and such comments and explanations relative to the information contained in the disclosure statement as the organization may desire to present.

(b-5) If a device being sold does not meet the definition of a hearing instrument or hearing device as stated in this Act, the organization shall include a disclaimer in all written or electronic promotions. The disclaimer shall include the following language:

"This is not a hearing instrument or hearing aid as defined in the Hearing Instrument Consumer Protection Act, but a personal amplifier and not intended to replace a properly fitted and calibrated hearing instrument.".

(c) The organization files with the Department prior to registration and annually thereafter a statement that it complies with the Act, the rules issued pursuant to it, and the regulations of the Federal Food and Drug Administration and the Federal Trade Commission insofar as they are applicable.

(d) The organization files with the Department at the time of registration an irrevocable consent to service of process

authorizing the Department and any of its successors to be served any notice, process, or pleading in any action or proceeding against the organization arising out of or in connection with any violation of this Act. Such service shall have the effect of conferring personal jurisdiction over such organization in any court of competent jurisdiction.

(e) Before dispensing a hearing instrument to a resident of this State, the organization informs the prospective users that they ~~may~~ need the following for proper fitting of a hearing instrument:

(1) the results of an audiogram performed within the past 6 months by a licensed audiologist or a licensed hearing instrument dispenser; and

(2) an earmold impression obtained from the prospective user and taken by a licensed hearing instrument dispenser.

(f) The prospective user receives a medical evaluation or the organization affords the prospective user an opportunity to waive the medical evaluation requirement of Section 4 of this Act and the testing requirement of subsection (z) of Section 18, provided that the organization:

(1) informs the prospective user that the exercise of the waiver is not in the user's best health interest;

(2) does not in any way actively encourage the prospective user to waive the medical evaluation or test; and

(3) affords the prospective user the option to sign the following statement:

"I have been advised by ..... (hearing instrument dispenser's name) that the Food and Drug Administration and the State of Illinois have determined that my best interest would be served if I had a medical evaluation by a licensed physician, preferably a physician who specialized in diseases of the ear, before purchasing a hearing instrument; or a test by a licensed audiologist or licensed hearing instrument dispenser utilizing established procedures and instrumentation in the fitting of hearing instruments. I do not wish either a medical evaluation or test before purchasing a hearing instrument."

(g) Where a sale, lease, or rental of hearing instruments is sold or contracted to be sold to a consumer by mail order, the consumer may void the contract or sale by notifying the seller within 45 business days following that day on which the hearing instruments were mailed by the seller to the consumer and by returning to the seller in its original condition any hearing instrument delivered to the consumer under the contract or sale. At the time the hearing instrument is mailed, the seller shall furnish the consumer with a fully completed receipt or copy of any contract pertaining to the sale that contains a "Notice of Cancellation" informing the consumer that he or she may cancel the sale at any time within 45 business

days and disclosing the date of the mailing and the name, address, and telephone number of the seller. In immediate proximity to the space reserved in the contract for the signature of the consumer, or on the front page of the receipt if a contract is not used, and in bold face type of a minimum size of 10 points, there shall be a statement in substantially the following form:

"You, the buyer, may cancel this transaction at any time prior to midnight of the 45th business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right."

Attached to the receipt or contract shall be a completed form in duplicate, captioned "NOTICE OF CANCELLATION" which shall be easily detachable and which shall contain in at least 10 point bold face type the following information and statements in the same language as that used in the contract:

"NOTICE OF CANCELLATION

enter date of transaction

.....

(DATE)

YOU MAY CANCEL THIS TRANSACTION, WITHOUT ANY PENALTY OR OBLIGATION, WITHIN 45 BUSINESS DAYS FROM THE ABOVE DATE.

IF YOU CANCEL, ANY PROPERTY TRADED IN, ANY PAYMENTS MADE BY YOU UNDER THE CONTRACT OR SALE LESS ANY NONREFUNDABLE RESTOCKING FEE, AND ANY NEGOTIABLE INSTRUMENT EXECUTED BY YOU WILL BE RETURNED WITHIN 10 BUSINESS DAYS FOLLOWING RECEIPT BY

THE SELLER OF YOUR CANCELLATION NOTICE AND ALL MERCHANDISE PERTAINING TO THIS TRANSACTION, AND ANY SECURITY INTEREST ARISING OUT OF THE TRANSACTION WILL BE CANCELLED.

IF YOU CANCEL, YOU MUST RETURN TO THE SELLER, IN SUBSTANTIALLY AS GOOD CONDITION AS WHEN RECEIVED, ANY GOODS DELIVERED TO YOU UNDER THIS CONTRACT OR SALE.

TO CANCEL THIS TRANSACTION, MAIL OR DELIVER A SIGNED AND DATED COPY OF THIS CANCELLATION NOTICE OR ANY OTHER WRITTEN NOTICE, OR SEND A TELEGRAM, TO (name of seller), AT (address of seller's place of business) AND (seller's telephone number) NO LATER THAN MIDNIGHT OF .....(date).

I HEREBY CANCEL THIS TRANSACTION.

(Date).....

.....

(Buyers Signature)"

The written "Notice of Cancellation" may be sent by the consumer to the seller to cancel the contract. The 45-day period does not commence until the consumer is furnished the Notice of Cancellation and the address and phone number at which such notice to the seller can be given.

If the conditions of this Section are met, the seller must return to the consumer the amount of any payment made or consideration given under the contract or for the merchandise less a nonrefundable restocking fee.

It is an unlawful practice for a seller to: (1) hold a

consumer responsible for any liability or obligation under any mail order transaction if the consumer claims not to have received the merchandise unless the merchandise was sent by certified mail or other delivery method by which the seller is provided with proof of delivery; (2) fail, before furnishing copies of the "Notice of Cancellation" to the consumer, to complete both copies by entering the name of the seller, the address of the seller's place of business, the seller's telephone number, the date of the mailing, and the date, not earlier than the 45th business day following the date of the mailing, by which the consumer may give notice of cancellation; (3) include in any contract or receipt any confession of judgment or any waiver of any of the rights to which the consumer is entitled under this Section including specifically his right to cancel the sale in accordance with the provisions of this Section; (4) misrepresent in any manner the consumer's right to cancel; (5) use any undue influence, coercion, or any other wilful act or representation to interfere with the consumer's exercise of his rights under this Section; (6) fail or refuse to honor any valid notice of cancellation and return of merchandise by a consumer and, within 10 business days after the receipt of such notice and merchandise pertaining to such transaction, to (i) refund payments made under the contract or sale, (ii) return any goods or property traded in, in substantially as good condition as when received by the person, (iii) cancel and return any negotiable instrument executed by

the consumer in connection with the contract or sale and take any action necessary or appropriate to terminate promptly any security interest created in the transaction; (7) negotiate, transfer, sell, or assign any note or other evidence of indebtedness to a finance company or other third party prior to the 50th business day following the day of the mailing; or (8) fail to provide the consumer of a hearing instrument with written information stating the name, address, and telephone number of the Department and informing the consumer that complaints regarding hearing instrument goods or services may be made to the Department.

(h) The organization employs only licensed hearing instrument dispensers in the dispensing of hearing instruments and files with the Department, by January 1 of each year, a list of all licensed hearing instrument dispensers employed by it.

(Source: P.A. 89-72, eff. 12-31-95.)

Section 99. Effective date. This Act takes effect upon becoming law.