

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 990 (Substitute S-3 as reported)
Sponsor: Senator Mike Goschka
Committee: Technology and Energy

CONTENT

The bill would amend Public Act 227 of 1991, which prescribes the rights and duties of parties to home solicitation sales, to prohibit a person from engaging in the business of telephone solicitation in Michigan unless the person held a license issued under the bill, under the Insurance Code, or under the Charitable Organizations and Solicitations Act.

To be licensed under the bill, a person would have to submit a license application to the Public Service Commission (PSC) for review and approval, as well as a license fee determined by the PSC. A license would expire on January 1 of each year and could be renewed upon the filing of a renewal application. The PSC would have to impose the same fee on all applicants, and fee revenue could be used only for the administration and enforcement of the Act.

Before issuing a license, the PSC could require proof of financial integrity; require the applicant to post a bond or similar instrument if the PSC believed that it was necessary to ensure the telephone solicitor's financial integrity; require the applicant to provide proof that it was otherwise properly registered to do business in this State, and agree to be subject to and pay all applicable taxes of the State; and adopt any other requirements that the PSC found to be in the public interest. If an applicant complied with these requirements, the PSC would have to issue a license.

"Telephone solicitation" would mean any voice communication over a telephone for the purpose of encouraging the purchase or rental of, or investment in, goods or services. It would not include any voice communication to a residential telephone subscriber if the subscriber had given his or her prior express invitation or permission, if the communication were made on behalf of a not-for-profit organization, or if the subscriber were an existing customer of the telephone solicitor. Telephone solicitation also would not include occasional and isolated voice communications to a residential telephone subscriber if certain conditions were met.

MCL 445.111 et al.

Legislative Analyst: S. Lowe

FISCAL IMPACT

The bill would require the Public Service Commission to license all businesses participating in telephone solicitation activities. The application fee would be set by the Commission. This requirement would increase the responsibilities of the Commission but, depending on the level of the application and renewal fee, the additional revenue should offset any additional costs attributable to this change.

Date Completed: 5-30-00

Fiscal Analyst: M. Tyszkiewicz

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Analysis available @ <http://www.michiganlegislature.org>

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