

Legislative Analysis



211 TELEPHONE SERVICE CHARGE

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House Bill 4726 as introduced
Sponsor: Rep. George Cushingberry
Committee: Appropriations

Fiscal Analysis (6-13-07)

BRIEF SUMMARY: The bill would impose a 10-cent per month service charge on all telephone lines that have access to a 2-1-1 phone service providing resource and referral for health and human services programs available in a local area.

FISCAL IMPACT: According to recent Federal Communications Commission data, there are over 12.3 million phone lines in use in Michigan (both wireline and wireless phones). If a 10-cent charge were eventually assessed on all these lines, the charge would generate revenue of roughly \$14.7 million annually. This amount would likely grow over time along with the number of telephone lines.

However, the bill would only impose such a charge on phones with 2-1-1 access. Recent legislative testimony from the Michigan 211 Collaborative indicates that more than 70% of the Michigan population has access to 211 services, with plans to transition to statewide access over the next two years if sufficient operational funding is available. Further, wireless access is limited to certain areas of the state at this time, although full statewide implementation plans would likely include wireless connectivity. This suggests that annual revenue from the service charge will initially be around \$7 million and will grow until statewide 211 implementation is achieved.

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