



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 819 (as introduced 10-4-07)
Sponsor: Senator Valde Garcia
Committee: Senior Citizens and Veterans Affairs

Date Completed: 2-5-08

CONTENT

The bill would amend the Michigan Telecommunications Act to do all of the following:

- Allow a service member deployed on active duty for at least 180 days, or his or her spouse, to terminate a wireless telecommunications contract without an early termination charge.**
- Require the person terminating the contract to give written notice, and document the service member's deployment orders.**
- Require the person terminating the contract to return equipment acquired from the telecommunications provider and not owned by the service member.**
- Authorize the Attorney General to seek civil damages for a violation of the bill, and require that the recovered money be deposited into the Military Family Relief Fund.**

Specifically, the bill would allow a service member who was deployed on active duty for a period of 180 days or more, or the spouse of that service member, to terminate any contract with a wireless telecommunications provider if the contract were entered into on or after the bill's effective date and were executed by or on behalf of the service member.

The termination would be effective on the date that both of the following were met:

- The service member or spouse gave the wireless telecommunications provider a written notice by certified mail of the intention to terminate the contract, a copy of the military or gubernatorial orders calling the service member to active duty, and a copy of any orders further extending the service member's period of active duty.
- Any wireless telecommunications equipment not owned by the service member, and acquired from the wireless communications provider, was returned to the custody or control of the provider within 30 days after the delivery of the written notice.

If a contract were terminated under the bill, the provider could not impose an early termination charge. The service member would remain responsible for any use charges incurred before termination.

In addition to any other penalty provided by law, the Attorney General could file a civil action in which the court could impose on a wireless telecommunications provider a civil fine of up to \$2,000 for each violation. Money recovered under this provision would have to be forwarded to the State Treasurer for deposit into the Military Family Relief Fund created in the Military Family Relief Fund Act.

Under the bill, "active duty" would mean active duty pursuant to an executive order of the U.S. President, an act of Congress, or an order of the Governor. "Service member" would mean a member of the Armed Forces, a reserve branch of the Armed Forces, or the Michigan National Guard.

"Armed Forces" would mean that term as defined in the Veteran Right to Employment Services Act (the Army, Air Force, Navy, Marine Corps, Coast Guard, or other military force designated by Congress as a part of the Armed Forces of the United States). "Michigan National Guard" would mean that term as defined in the Michigan Military Act (the Army National Guard and the Air National Guard).

Proposed MCL 484.2304b

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

Any civil fines collected under the bill would be deposited into the Military Family Relief Fund created by Public Act 364 of 2004 for grants to military families in need of financial assistance. The amount of revenue to the Fund would depend on the number of enforcement actions and the size of the fine imposed by the court. Currently, the Military Family Relief Fund is funded primarily by donations via a check-off on the Michigan income tax return. Since its beginning in tax year 2004, the Fund has received donations totaling \$2,577,000.

Fiscal Analyst: Bruce Baker
Joe Carrasco

S0708\sb819sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.