

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

SFA**BILL ANALYSIS**

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

House Bill 4694 (Substitute S-1 as reported by the Committee of the Whole)

Sponsor: Representative Eileen DeHart

House Committee: Consumer Protection

Senate Committee: Financial Services

CONTENT

The bill would amend Public Act 206 of 1913, which regulates the telephone business, to place additional restrictions on the delivery of recorded commercial advertisements via telephone lines.

The Act prohibits a caller from using a telephone line to contact a "subscriber" at the subscriber's residence in order to deliver a recorded message for the purpose of delivering commercial advertising to the subscriber, unless the subscriber requested, consented, permitted, or authorized the contact or provided his or her telephone number to the caller.

"Subscriber" means an individual who subscribes to residential telephone service from a telephone company regulated by the State, and all others with the same legal residence as the subscriber. Under the bill, the definition of "subscriber" would be revised to include business and toll-free, as well as residential, telephone service. Also, the prohibition would apply to calls to a subscriber at the subscriber's residence, business, or toll-free telephone number.

The bill also would require that recorded commercial advertising end or otherwise free a subscriber's line immediately upon the subscriber's termination of the call.

A subscriber contacted by a caller in violation of the prohibition may bring an action to recover damages of not more than \$250, together with reasonable attorneys' fees. The bill provides that a subscriber could recover damages of \$1,000 plus reasonable attorneys' fees.

MCL 484.125

Legislative Analyst: P. Affholter

FISCAL IMPACT

The bill would not result in additional costs to the Public Service Commission.

Enforcement costs and fine revenue generated from expansion of the prohibition would depend on the number of violations, which is not determinable.

Date Completed: 6-3-98

Fiscal Analyst: M. Tyszkiewicz
B. Bowerman