



Senate Fiscal Agency  
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BILL ANALYSIS

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House Bill 4283 (Substitute H-3 as reported without amendment)  
House Bill 4660 (Substitute H-1 as reported without amendment)  
Sponsor: Representative John Pappageorge (H.B. 4283)  
Representative John Garfield (H.B. 4660)  
House Committee: Energy and Technology  
Senate Committee: Technology and Energy

Date Completed: 11-4-03

### **RATIONALE**

Sometimes, when a person is called to active duty in the military and takes an extended leave from his or her job, the person's household income is reduced. As a result, his or her family might have difficulty paying for telephone or utility service. It has been suggested that telephone and utility providers should provide shut-off protection for residents experiencing financial hardship when a member of the household is called to serve in the military.

### **CONTENT**

**House Bills 4283 (H-3) and 4660 (H-1) would amend the Michigan Telecommunications Act and the Public Service Commission law, respectively, to provide protection against the shut-off of telecommunication and gas and electric services to a qualifying customer who experienced a reduction in household income as the result of a call to active duty in the military.**

Under the bills, "qualifying customer" would mean all of the following:

- A residential household where the income was reduced because the customer of record, or the customer's spouse, was called to active military service by the President of the United States or the Governor of Michigan during a time of declared national or State emergency or war.
- The residential household needed assistance to maintain telecommunication, gas, or electric service.

-- The residential household notified the provider of the need for assistance and provided verification of the call to active duty status.

The bills are described in further detail below.

House Bill 4283 (H-3) would prohibit a telecommunication provider from discontinuing basic local exchange telecommunication service to the residence of a qualifying customer who notified the provider that he or she was in need of assistance due to the call to active duty status. A provider could request verification of the call to active duty status, as well as verification of the customer's household income reduction. A provider also could require restrictions or elimination of calling features or toll service as a condition of granting a qualifying customer's request for shut-off protection.

House Bill 4660 (H-1) would prohibit an electric or gas service provider from discontinuing service to the residence of a qualifying customer who applied for shut-off protection. In addition to protection provided under the Michigan Military Act, a qualifying customer could apply for shut-off protection by notifying the provider that he or she was in need of assistance because of a reduction in household income as the result of a call to active duty status. (Under the Michigan Military Act, an officer or enlisted personnel on active State service for more than seven days, or his or her immediate household, may not be deprived of or denied heat, water, electricity, or gas service by any public utility during the first 90 days of military service by reason of unpaid bills.)

Under both bills, a qualifying customer could receive shut-off protection for up to 90 days. Upon application, the provider could grant one or more extensions. A qualifying customer would have to notify the provider of the end of the call to active duty status as soon as it was known.

The bills specify that shut-off protection would not void or limit the qualifying customer's obligation to pay for services received during the assistance period, unless waived by the provider.

The bills would require a provider to do both of the following:

- Create a repayment plan requiring minimum monthly payments that allowed the qualifying customer to pay any past due amounts over a reasonable time period of up to one year.
- Provide a qualifying customer with information regarding any governmental, provider, or other assistance programs.

Under House Bill 4283 (H-3), a provider would have to take these actions within 48 hours of receiving all information requested of the qualifying customer. Under House Bill 4660 (H-1), a provider also would have to provide qualifying customers with access to existing information on ways to minimize or conserve their service usage.

Each bill specifies that it would not affect or amend any Public Service Commission (PSC) rules or orders pertaining to billing standards. If a qualifying customer did not follow the provider's terms and conditions, the provider would have to follow procedures set forth in the PSC's billing standards for basic residential telecommunication service.

MCL 484.2314a (H.B. 4283)  
460.9c (H.B. 4660)

## **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

### **Supporting Argument**

A call to active duty can mean a reduction in household income and the potential inability to pay for such essentials as electricity, gas, and

telephone service. While some employers supplement the incomes of people engaging in military service, others do not. The men and women in the military put themselves at great risk to serve their country and protect their fellow citizens. In addition to concern over their loved ones' safety, the families of military personnel may face added stress due to financial hardship. Military personnel and their families deserve guaranteed essential services while making such a sacrifice for their country. While providing for shut-off protection, the legislation would not relieve customers of having to pay their bills, but would ensure that they had a reasonable payment plan.

Legislative Analyst: Julie Koval

### **FISCAL IMPACT**

The bills would have no fiscal impact on State or local government.

Fiscal Analyst: Maria Tyszkiewicz

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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.