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Senate Fiscal Agency  
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Lansing, Michigan 48909-7536

**SFA****BILL ANALYSIS**

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House Bill 5280 (as reported without amendment)  
Sponsor: Representative Agnes Dobronski  
House Committee: Public Utilities  
Senate Committee: Technology and Energy

### **CONTENT**

The bill would create the "Michigan Slamming Prohibition Act" to provide that a customer of a telecommunications services provider could not be switched to another provider without the customer's authorization. The Public Service Commission (PSC) would be required to promulgate rules to ensure that a customer was not switched without the customer's oral authorization, written authorization, or confirmation through an independent third party of the customer's intent to make a switch, and had approved the specific details of the switch. The rules would have to require that all providers comply with the regulations established by the Federal Communications Commission on verification procedures for the switching of a customer's telecommunications provider.

A customer who had been switched in violation of the bill, or a provider who had been removed without the customer's authorization, could file a complaint with the PSC. The PSC also could file a complaint on its own motion. If the PSC found after notice and hearing that a person had violated the bill or a rule promulgated under it, the PSC would have to order remedies and penalties. The remedies and penalties could include, but would not be limited to, one or more of the following:

- A fine of at least \$1,000 but not more than \$20,000 per day that the person was in violation; or at least \$2,000 but not more than \$40,000 per day for a second or subsequent offense.
- A refund to the customer of any collected excessive rates.
- Revocation of a person's license for a pattern of violations, if the person were a licensee under the Michigan Telecommunications Act.
- Cease and desist orders.

Legislative Analyst: S. Lowe

### **FISCAL IMPACT**

According to the Public Service Commission, this bill would require the Commission to promulgate rules and hold hearings regarding unauthorized switching of a telecommunications provider. These additional administrative responsibilities could result in additional costs to the Commission. Additionally, this bill would authorize the Commission to impose a fine of not less than \$1,000 or more than \$20,000 for a first offense, and not less than \$2,000 or more than \$40,000 for a second or subsequent offense, on those companies found to be in violation, which would be deposited into the General Fund. The number of violators that would be assessed a monetary penalty is unknown; therefore, the amount of revenue that would be generated is indeterminate.

Date Completed: 5-28-98

Fiscal Analyst: M. Tyszkiewicz

[floor/hb5280](#)

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

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