



Senate Fiscal Agency
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Senate Bill 1201 (Substitute S-1 as reported by the Committee of the Whole)

Sponsor: Senator Valde Garcia

Committee: Senior Citizens and Veterans Affairs

CONTENT

The bill would create the "Military Personnel Wireless Contract Act" to do all of the following:

- Allow a service member who was transferred, or deployed overseas, on active duty for at least 180 days, to an area not served by his or her wireless telecommunication provider, or the service member's spouse acting on his or her behalf if the spouse were authorized by the service member to make changes to the account, to terminate a wireless telecommunications contract without an early termination charge.
- Require the person terminating the contract to give written notice by certified mail, and document the service member's transfer or 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 of up to \$2,000 for each violation of the bill, and require that the recovered money be deposited into the Military Family Relief Fund.

"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).

The proposed Act would not apply to prepaid wireless telecommunication services.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

Any civil fines collected under the bill would be deposited into the Military Family Relief Fund created 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.

Date Completed: 4-21-08

Fiscal Analyst: Joe Carrasco