

Legislative Analysis



MILITARY PERSONNEL WIRELESS CONTRACT ACT

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House Bill 5102

Sponsor: Rep. Richard LeBlanc

Committee: Military and Veterans Affairs and Homeland Security

Complete to 8-24-09

A SUMMARY OF HOUSE BILL 5102 AS INTRODUCED 6-16-09

The bill would create the Military Personnel Wireless Contract Act. Under that new act, a service member who is transferred, or deployed overseas, on active duty for 180 days or more to an area where the service member's existing wireless telecommunication (cell phone) provider does not offer facilities-based wireless service could terminate any contract with that provider. This would apply if the contract was entered into on or after the effective date the bill and the contract was executed by or on behalf of the service member before the service member was transferred, or deployed overseas, on active duty. The spouse of the service member could act on the service person's behalf, if so authorized.

Conditions of Contract Changes or Termination. Under the bill, a termination of a contract is effective on the date that all of the following are met: (1) the deployed active duty service member (or a spouse) provides the cell phone provider, by certified mail, a written notice of the intention to terminate the contract and a copy of the service member's orders; and (2) any cell phone equipment not owned by the service member and acquired from the provider would be returned to its custody or control within 30 days after the delivery of the written notice.

If a contract is terminated, the cell phone provider could not impose any early termination charge. However the service member would remain responsible for any use charges incurred before termination. The act would not apply to prepaid wireless telecommunication services.

Civil Actions by Cell Phone Provider and Attorney General. 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 cell phone provider a civil fine of up to \$2,000 for each violation. Money recovered from such actions would be forwarded to the State Treasurer for deposit into the Military Family Relief Fund.

FISCAL IMPACT:

There would be an indeterminate fiscal impact on state government and local government. It is unknown how many cell phone provider contracts would be terminated by eligible active duty service members under this bill and how many civil actions would

be filed by the Attorney General for cell phone providers that violate the conditions of this bill. The Military Family Relief Fund would receive money recovered by the Attorney General for these civil actions, but the amount that would be forwarded to the Military Family Relief Fund cannot be determined. The Attorney General may generate some expenses for filing civil actions, and the courts may also generate both expenses and revenues for these civil action.

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