



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



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

Senate Bill 371 (as introduced 3-12-09)  
Sponsor: Senator Valde Garcia  
Committee: Senior Citizens and Veterans Affairs

Date Completed: 5-12-09

## **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, to terminate a wireless telecommunications contract without an early termination charge.**
- **Require the person terminating the contract to give written notice, 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 for a violation of the proposed Act, and require that the recovered money be deposited into the Military Family Relief Fund.**

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

Specifically, if a service member were transferred, or deployed overseas, on active duty for a period of 180 days or more, to an area where his or her existing wireless telecommunication provider did not offer facilities-based wireless service, the service member 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, could terminate any contract with the wireless telecommunications provider if all of the following applied:

- The service member was a party to the contract.
- The contract was entered into on or after the Act's effective date.
- The contract was executed before the service member was transferred or deployed overseas.
- The wireless service was not to a telephone or other telecommunication device installed in a motor vehicle.

The termination would be effective on the date that both of the following were met:

- The service member or spouse gave the lessor a written notice by certified mail of the intention to terminate the contract, a copy of the military or gubernatorial orders transferring the service member or calling him or her to active duty, and a copy of any orders further extending the service member's period of active duty.
- Any wireless telecommunications equipment not owned by the service member, and acquired from the wireless communications provider, was returned to the custody or control of the provider within 30 days after the written notice was delivered.

If a contract with a wireless telecommunications provider were terminated under the proposed Act, the provider could not impose an early termination charge. The service member would remain responsible for any use charges incurred before termination.

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 wireless telecommunications provider a civil fine of up to \$2,000 for each violation. Money recovered under this provision would have to be forwarded to the State Treasurer for deposit into the Military Family Relief Fund created in the Military Family Relief Fund Act.

Under the bill, "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).

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 \$3,466,589.

Fiscal Analyst: Bruce Baker

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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.