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HOUSE FISCAL AGENCY

124 N. Capitol Avenue
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HB4042 AS PASSED BY THE SENATE

Sponsor: Rep. Jennifer Faunce

Committee: ENERGY AND TECHNOLOGY

Analyst(s): Schneider, Bob

Completed: 1/22/02

State Fiscal Impact

Cost: None
Revenues: None

Local Fiscal Impact

Cost: None
Revenues: Indeterminate/Increase

House Bill 4042 amends the Home Solicitation Sales Act to add new provisions regulating telemarketing activities. It would require telephone solicitors to provide certain information about themselves and the companies for which they work. The bill would also prohibit telephone solicitors and persons or organizations on whose behalf calls are made from engaging in certain acts and practices, including a) making telephone solicitations to a consumer who has requested that he or she not receive such calls, and b) failing to maintain a list of names and phone numbers of consumers making requests not to be called. Other prohibited actions would include actions such as misrepresenting or failing to disclose certain terms of a sale, providing false or misleading statements, and offering a prize promotion in which a purchase or payment is necessary to obtain the prize. Violations of these provisions would be punishable by imprisonment for up to six months or a fine of up to \$500 or both. Persons suffering a loss would be allowed to recover actual damages or \$250, whichever is greater, together with reasonable attorney fees. The bill could increase local fine revenue to the extent that violations occur.

Secondly, the bill would require publishers of telephone directories that include residential phone numbers to include a notice describing how a residential telephone subscriber could enroll on a do-not-call list with an organization or other person. It also requires telecommunication providers providing residential phone service to include information on subscribing to "do-not-call" lists with each phone bill. Since this provision does not establish new requirements on public sector entities, it would have no fiscal impact.

Finally, it should be noted that sections 1(m), 1E, and 3(5) of House Bill 4042 exempt various categories of organizations from the bill's provisions.