

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 110 (Delegate Ali, *et al.*)
Economic Matters

Wireless Telephone Service Billing Change Notification Act

This bill requires wireless telephone service providers to send written notice to residential customers within 10 days after any change in the rates, terms, or conditions of the customer's wireless telephone service. Under the bill, a violation of this notice requirement is an unfair or deceptive trade practice within the meaning of the Maryland Consumer Protection Act and is subject to the Act's enforcement and penalty provisions.

Fiscal Summary

State Effect: If the Attorney General's Office receives fewer than 50 complaints per year stemming from the bill, the additional workload could be handled with existing resources. General fund revenues could increase beginning in FY 2009 due to any fines or penalties imposed under the Consumer Protection Act.

Local Effect: The penalty provisions of this bill are not expected to significantly affect local finances or operations.

Small Business Effect: None.

Analysis

Bill Summary: The bill defines “wireless telephone service providers” as persons that provide cellular, broadband PCS, or other commercial mobile radiotelephone service. The notice of changes required under the bill must include a clear and conspicuous statement detailing the change in rates, terms, or conditions of the customer’s wireless service and must be sent by U.S. mail, separately from a bill or other correspondence.

Current Law/Background: Contracts between wireless telephone service providers and their customers are not specifically regulated by the State.

The Consumer Protection Division within the Office of the Attorney General is responsible for pursuing unfair and deceptive trade practice claims under the Maryland Consumer Protection Act. Upon receiving a complaint, the division must determine whether there are “reasonable grounds” to believe that a violation of the Act has occurred. Generally, if the division does find that there are such reasonable grounds, the division must seek to conciliate the complaint. The division may also issue cease-and-desist orders, or it may seek to enforce the Act through court actions requesting injunctions or civil damages. Violators of the Act are subject to • civil penalties of \$1,000 for the first violation and \$5,000 for subsequent violations; and • criminal sanction as a misdemeanor, with a fine of up to \$1,000 and/or up to one year’s imprisonment.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Office of the Attorney General (Consumer Protection Division), Department of Legislative Services

Fiscal Note History: First Reader - February 1, 2008
mll/ljm

Analysis by: Alexander M. Rzasa

Direct Inquiries to:
(410) 946-5510
(301) 970-5510