To: Public Utilities

REGULAR SESSION 2001

SENATE BILL NO. 2075

AN ACT TO PROHIBIT TELEPHONE SOLICITATIONS TO RESIDENTIAL SUBSCRIBERS WHO HAVE GIVEN NOTICE OF THEIR OBJECTION TO SUCH CALLS 3 TO THE PUBLIC SERVICE COMMISSION; TO REQUIRE THE PUBLIC SERVICE COMMISSION TO ESTABLISH A DATABASE TO COLLECT SUCH OBJECTIONS; TO RESTRICT THE USE OF INFORMATION CONTAINED IN THE DATABASE; TO REQUIRE ALL TELEPHONE SOLICITORS TO REGISTER WITH THE PUBLIC 6 7 SERVICE COMMISSION PRIOR TO CONDUCTING TELEPHONIC SOLICITATION AND TO PROVIDE FEES THEREFOR; TO AUTHORIZE THE PUBLIC SERVICE COMMISSION TO PROMULGATE RULES NECESSARY TO EFFECTUATE THIS ACT; 8 9 TO PROVIDE CIVIL PENALTIES FOR VIOLATIONS OF THIS ACT; AND FOR 10 RELATED PURPOSES. 11

- BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:
- 13 <u>SECTION 1.</u> This article shall be known and may be cited as
- 14 the "Mississippi Telephonic Solicitation Act."
- 15 $\underline{\text{SECTION 2.}}$ The use of the telephone to make all types of
- 16 solicitations to consumers is pervasive. This act gives consumers
- 17 a tool by which to object to telemarketing calls as these
- 18 communications can amount to a nuisance, an invasion of privacy,
- 19 and can create a health and safety risk for certain consumers who
- 20 maintain their phone service primarily for emergency medical
- 21 situations. Notwithstanding any other act or provisions of the
- 22 law to the contrary, this article shall control.
- 23 SECTION 3. For the purposes of this article, the following
- 24 words and terms shall have the meaning ascribed to them herein:
- 25 (a) "Consumer" means any person to whom has been
- 26 assigned in the State of Mississippi any residential telephone
- 27 line and corresponding telephone number.
- 28 (b) "Caller Identification Service" means a type of
- 29 telephone service which permits telephone subscribers to see the
- 30 telephone number and name of incoming telephone calls.

- 31 (c) "Telephone solicitor" means any person, firm,
- 32 entity, organization, partnership, association, corporation,
- 33 charitable entity, or a subsidiary or affiliate thereof, who
- 34 engages in any type of telephone solicitation on his or her own
- 35 behalf or through representatives, independent contractors,
- 36 salespersons, agents, automated dialing machines or others.
- 37 (d) "Telephone solicitation" means any telephonic
- 38 communication to a consumer for the purpose of persuading,
- 39 enticing, requesting, petitioning or otherwise seeking to induce a
- 40 consumer to take some action. Telephone solicitation includes,
- 41 but is not limited to, communications with a person where:
- 42 (i) A gift, award or prize is offered to a
- 43 consumer;
- 44 (ii) A telephone call response is invited from the
- 45 consumer;
- 46 (iii) The salesperson intends to complete a sale
- 47 or a consumer is invited to enter into an agreement to purchase
- 48 during the course of the telephone call;
- 49 (iv) The communication involves the representation
- of a price, quality or availability of consumer goods and
- 51 services, and such communication invites a response by telephone
- or is followed by a call to the consumer by a salesperson.
- (e) "Commission" means the Mississippi Public Service
- 54 Commission.
- (f) "Doing business in this state" refers to businesses
- 56 which conduct telephonic sales calls from a location in the State
- 57 of Mississippi or from other states or nations to consumers
- 58 located in this state.
- 59 SECTION 4. (1) No telephone solicitor may make or cause to
- 60 be made any telephone solicitation to any consumer in this state
- on unless the telephone solicitor has purchased the most current
- "no-calls" database from the commission or the entity under
- 63 contract with the commission.

- (2) No telephone solicitor may make or cause to be made any telephone solicitation to any consumer in this state who has given notice to the commission or the entity under contract with the commission of his or her objection to receiving telephone solicitations.
- (3) The commission, or an entity under contract with the

 commission, shall establish and operate a "no-calls" database

 composed of a list of telephone numbers of consumers who have

 given notice of their objection to receiving telephone

 solicitations. The "no-calls" database may be operated by the

 commission or by another entity under contract with the

 commission.
- 76 (4) Each local exchange company and each competing local exchange carrier shall provide written notification on a 77 semiannual basis to each of its consumers, beginning July 1, 2001, 78 of the opportunity to provide notification to the commission or 79 the entity under contract with the commission, that the consumer 80 objects to receiving telephone solicitations. The notification 81 shall be disseminated at the option of the carrier, by television, 82 83 radio or newspaper advertisements, written correspondence, bill inserts or messages, telephone book subscription forms or any 84 85 other method approved by the commission.
- 86 <u>SECTION 5.</u> All telephone solicitors shall register with the 87 commission prior to conducting any telephonic solicitations in the 88 State of Mississippi.
- SECTION 6. The commission is authorized to promulgate rules necessary to effectuate this article, including, but not limited to, the following:
- 92 (a) Methods by which consumers may give notice to the 93 commission or its contractor of their objection to receive 94 solicitations or revocation of the notice;

95		(b)	Met	thods b	y wh	ic	h a not	cice	e of object	cion bed	come	es
96	effective	and	the	effect	of	a	change	of	telephone	number	on	the
97	notice;											

- 98 (c) Methods by which objections and revocations are 99 collected and added to the database;
- 100 (d) Methods by which a person or entity desiring to
 101 make telephone solicitation may obtain access to the database as
 102 required to avoid calling the telephone number of consumers
 103 included in the database;
- 104 (e) The process by which the database is updated, and 105 the frequency of updates;
- (f) The process by which telephone solicitors must register with the commission for the purpose of conducting telephonic solicitations in the state;
- (g) Establishment of fees to be charged by the
 commission or its contractor to telephone solicitors for access to
 or for paper or electronic copies of the database on an annual
 basis; and
- (h) All other matters relating to the database that the commission deems necessary.
- SECTION 7. If the Federal Communications Commission
 establishes a single national database of telephone numbers of
 consumers who object to receiving telephone solicitations, the
 commission shall include the portion of the single national
 database that relates to the State of Mississippi in the database
 established under this article.
- SECTION 8. Information contained in the database established pursuant to this article may be used and accessed only for the purpose of compliance with this article and shall not be otherwise subject to public inspection or disclosure.
- SECTION 9. All fees collected under the provisions of this
 article shall be deposited into a special fund in the State
 Treasury to be expended by the commission for the implementation

and administration of this article. At the end of each fiscal 128 year, unexpended monies remaining in the fund shall not revert to 129 any other fund of the state, but shall remain available for 130 131 appropriations to administer this article. The Legislature shall 132 annually appropriate from the fund the amount necessary for the administration of this article to the commission. 133

SECTION 10. Any person or entity who makes a telephone solicitation to a consumer in this state who is not listed on the most current "no-calls" database shall, at the beginning of each call, announce clearly his or her name, the company he or she represents and the purpose of the call. Such calls may only be made between the hours of 9:00 a.m. and 8:00 p.m. No telephone solicitation shall be made on a Sunday.

No person or entity who makes a telephone solicitation to a consumer in this state may utilize any method which blocks or otherwise circumvents the use of Caller Identification Service by the consumer.

SECTION 11. The commission is authorized to investigate alleged violations and to initiate proceedings relative to a 146 147 violation of this article or any rules and regulations promulgated pursuant to this article. Such proceedings include, without 148 149 limitation, proceedings to issue a cease and desist order, and to 150 issue an order imposing a civil penalty not to exceed Five Thousand Dollars (\$5,000.00) for each violation. 151 The commission 152 shall afford an opportunity for a fair hearing to the alleged violator(s) after giving written notice of the time and place for 153 154 said hearing. Failure to appear at any such hearing may result in the commission finding the alleged violator(s) liable by default. 155 Any telephone solicitor found to have violated this article, 156 157 pursuant to a hearing or by default, may be subject to a civil penalty not to exceed Five Thousand Dollars (\$5,000.00) for each 158 159 violation to be assessed and collected by the commission. 160 telephonic communication shall constitute a separate violation.

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All penalties collected by the commission shall be deposited in the special fund created herein for the administration of this article.

The commission may issue subpoenas, require the production of relevant documents, administer oaths, conduct hearings, and do all things necessary in the course of investigating, determining and adjudicating an alleged violation.

The remedies, duties, prohibitions and penalties set forth under this article shall not be exclusive and shall be in addition to all other causes of action, remedies and penalties provided by law, including, but not limited to, the penalties provided by Section 77-1-53.

SECTION 12. Any person who has received a telephone solicitation in violation of this article, or any rules and regulations promulgated pursuant to this article, may file a complaint with the commission. The complaint will be processed pursuant to complaint procedures established by the commission.

SECTION 13. The commission is granted personal jurisdiction over any telephone solicitor, whether a resident or a nonresident, and even though they are deemed not to be a public utility, for the purpose of administering the provisions of this article. The commission is granted personal jurisdiction over any nonresident telephone solicitor, its executor, administrator, receiver, trustee or any other appointed representative of such nonresident as to an action or proceeding authorized by this article or any rules and regulations promulgated pursuant to this article as authorized by Section 13-3-57, and also upon nonresidents, his or her executor, administrator, receiver, trustee or any other appointed representative of such nonresident who have qualified under the laws of this state to do business herein. Service of summons and process upon the alleged violator of this article shall be had or made as is provided by the Mississippi Rules of Civil Procedure.

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194	SECTION 14. Any party aggrieved by any final order of the
195	commission pursuant to this article, or any rules and regulations
196	promulgated pursuant to this article, shall have the right of
197	appeal to the Chancery Court of Hinds County, Mississippi, First
198	Judicial District.

- SECTION 15. No provider of telephonic Caller Identification

 Service, local exchange telephone company or long distance company

 certificated by the commission may be held liable for violations

 of this article committed by other persons or entities.
- SECTION 16. If any section, paragraph, sentence, phrase or 203 204 any part of this article shall be held invalid or unconstitutional, such holding shall not affect any other section, 205 206 paragraph, sentence, clause, phrase or part of this article which 207 is not in and of itself invalid or unconstitutional. Moreover, if the application of this article, or any portion of it, to any 208 person or circumstance is held invalid, the invalidity shall not 209 affect the application of this article to other persons or 210 211 circumstances which can be given effect without the invalid provision or application. 212
- 213 SECTION 17. This act shall be codified as a new article 214 within Chapter 3, Title 77, Mississippi Code of 1972.
- 214 within chapter 3, little 77, Mississippi code of 1972.

 215 SECTION 18. This act shall take effect and be in force from 216 and after July 1, 2001.