

# Service Charges on Telephone Bills

This Act restricts how third parties add charges to telephone bills.

Submitted as:

Illinois

[Public Act 096-0827](#)

Status: Enacted into law in 2009.

## Suggested State Legislation

(Title, enacting clause, etc.)

1           Section 1. [*Short Title.*] This Act shall be cited as “An Act to Address Authorizing and  
2 Verifying Product and Services Charges on Telephone Bills.”

3

4           Section 2. [*Definitions.*] As used in this Act:

5           (1) “Billing agent” means any entity that submits charges to the billing carrier on behalf of  
6 itself or any service provider.

7           (2) “Billing carrier” means any telecommunications carrier as defined in [insert citation],  
8 that issues a bill directly to a customer for any product or service not provided by a  
9 telecommunications carrier.

10           (3) “Service provider” means any entity that offers a product or service to a consumer and  
11 that directly or indirectly charges to or collects from a consumer's bill received from a billing  
12 carrier an amount for the product or service.

13

14           Section 3. [*Exclusions.*] This Act does not apply to the provision of services and products  
15 by a telecommunications carrier subject to the provisions of [insert citation], by a  
16 telecommunications carrier's affiliates, or an affiliated cable or video provider, as defined in  
17 [insert citation], or by a provider of public mobile services, as defined in [insert citation].

18

19           Section 4. [*Requirements for Submitting Charges.*]

20           (A) A service provider or billing agent may submit charges for a product or service to be  
21 billed on a consumer's telephone bill on or after the effective date of this Act only if:

22           (1) the service provider offering the product or service has clearly and  
23 conspicuously disclosed all material terms and conditions of the product or service being offered,  
24 including, but not limited to, all charges; and the fact that the charges for the product or service  
25 shall appear on the consumer's telephone bill;

26           (2) after the clear and conspicuous disclosure of all material terms and conditions  
27 as described in paragraph (1) of this subsection (A), the consumer has expressly consented to  
28 obtain the product or service offered and to have the charges appear on the consumer's telephone  
29 bill and the consent has been verified as provided in subsection (B) of this section of this Act;

30           (3) the service provider offering the product or service or any billing agent for the  
31 service provider has provided the consumer with a toll-free telephone number the consumer may  
32 call and an address to which the consumer may write to resolve any billing dispute and to answer  
33 questions; and

34 (4) the service provider offering the product or service or the billing agent has  
35 taken effective steps to determine that the consumer who purportedly consented to obtain the  
36 product or service offered is authorized to incur charges for the telephone number to be billed.

37 (B) The consumer consent required by subsection (A)(2) of this section must be verified  
38 by the service provider offering the product or service before any charges are submitted for  
39 billing on a consumer's telephone bill. A record of the consumer consent and verification must be  
40 maintained by the service provider offering the product or service for a period of at least [24  
41 months] immediately after the consent and verification have been obtained. The method of  
42 obtaining consumer consent and verification must include one or more of the following:

43 (1) A writing signed and dated by the consumer to be billed that clearly and  
44 conspicuously discloses the material terms and conditions of the product or service being offered  
45 in accordance with subsection (A)(1) of this section and clearly and conspicuously states that the  
46 consumer expressly consents to be billed in accordance with subsection (A)(2) of this section as  
47 follows:

48 (a) if the writing is in electronic form, then it shall contain the consumer  
49 disclosures required by Section 101(c) of the federal Electronic Signatures in Global and National  
50 Commerce Act; and

51 (b) the writing shall be a separate document or easily separable document  
52 or located on a separate screen or webpage containing only the disclosures and consent described  
53 in section (A) of this section.

54 (2) Third party verification by an independent third party that:

55 (a) clearly and conspicuously discloses to the consumer to be billed all of  
56 the information required by subsection (A)(1) of this section;

57 (b) operates from a facility physically separate from that of the service  
58 provider offering the product or service;

59 (c) is not directly or indirectly managed, controlled, directed, or owned  
60 wholly or in part by the service provider offering the product or service;

61 (d) does not derive commissions or compensation based upon the number  
62 of sales confirmed;

63 (e) tape records the entire verification process, with prior consent of the  
64 consumer to be billed; and

65 (f) obtains confirmation from the consumer to be billed that he or she  
66 authorized the purchase of the offered good or service.

67 (C) All verifications must be conducted in the same language that was used in the  
68 underlying sales transaction.

69 (D) Unless verification is required by federal law or rules implementing federal law,  
70 subsection (B) of this section does not apply to customer-initiated transactions with a certificated  
71 telecommunications carrier for which the service provider has the appropriate documentation.

72 (E) This section does not apply to message telecommunications service charges that are  
73 initiated by dialing 1+, 0+, 0-, 1010XXX, or collect calls and charges for video services if the  
74 service provider has the necessary records to establish the billing for the call or service.

75  
76 Section 5. *[Records of Disputed Charges.]*  
77 (A) Every service provider or billing agent shall maintain records of every disputed charge  
78 for a product or service placed on a consumer's bill.

79 (B) The record required under this section shall contain for every disputed charge all of  
80 the following:

81 (1) any affected telephone numbers and, if available, addresses;

82 (2) the date the consumer requested that the disputed charge be removed from the  
83 consumer's bill;

84 (3) the date the disputed charge was removed from the consumer's telephone bill;  
85 and

86 (4) the date action was taken to refund or credit to the consumer any money that  
87 the consumer paid for the disputed charges.

88 (C) The record required by this section shall be maintained for at least [24 months].

89 (D) Billing agents shall take reasonable steps designed to ensure that service providers on  
90 whose behalf they submit charges to a billing carrier comply with the requirements of this Act.

91 (E) Any service provider or billing agent who violates this Act commits an unlawful  
92 practice as defined in [insert citation].

93

94 Section 6. [*Severability.*] [Insert severability clause.]

95

96 Section 7. [*Repealer.*] [Insert repealer clause.]

97

98 Section 8. [*Effective Date.*] [Insert effective date.]