



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



BILL ANALYSIS

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

Senate Bills 1311 and 1312 (as introduced 4-29-10)
Sponsor: Senator Buzz Thomas (S.B. 1311)
Senator Dennis Olshove (S.B. 1312)
Committee: Judiciary

Date Completed: 4-29-10

CONTENT

Senate Bill 1311 would amend the Michigan Penal Code to establish felony penalties for selling or transferring a utility product or service knowing it was obtained illegally. Senate Bill 1312 would amend the Code of Criminal Procedure to include the proposed felonies in the sentencing guidelines.

Senate Bill 1312 is tie-barred to Senate Bill 1311.

Senate Bill 1311

Under the bill, it would be a felony for a person to sell or transfer, or attempt to sell or transfer, the product or service of an electric provider or natural gas provider to any other person, knowing or having reason to know that the product or service was obtained illegally. The offense would be punishable by imprisonment for up to five years, a maximum fine of \$5,000, or both. If a person had been previously convicted of this offense, however, the penalty would be imprisonment for up to five years, a maximum fine of \$10,000, or both.

"Electric provider" would mean that term as defined in the Clean, Renewable, and Efficient Energy Act. (That Act defines the term as one of the following:

- Any person or entity that is regulated by the Public Service Commission (PSC) for the purpose of selling electricity to retail customers in the State.
- A municipally owned electric utility in the State.
- A cooperative electric utility in the State.
- An alternative electric supplier licensed under Public Act 3 of 1939 (which governs the PSC.)

"Natural gas provider" would mean that term as defined in the Clean, Renewable, and Efficient Energy Act (i.e., an investor-owned business engaged in the sale and distribution of natural gas within the State whose rates are regulated by the PSC).

Senate Bill 1312

Under the bill, a violation of Section 282a of the Penal Code (proposed by Senate Bill 1311), would be a Class E felony against property with a statutory maximum of five years.

Proposed MCL 750.282a (S.B. 1311)
MCL 777.16o (S.B. 1312)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bills would have an indeterminate fiscal impact on State and local government. There are no data to indicate how many offenders would be convicted of the proposed offense. An offender convicted of the Class E offense under the bills would receive a sentencing guidelines minimum sentence range of 0-3 months to 24-38 months, with a statutory maximum sentence of five years. An offender convicted of this offense also would be subject to a fine of up to \$5,000, or \$10,000 for a repeat offense. Local governments would incur the costs of incarceration in local facilities, which vary by county. The State would incur the cost of felony probation at an annual average cost of \$2,000, as well as the cost of incarceration in a State facility at an average annual cost of \$33,000. Additional penal fine revenue would benefit public libraries.

Fiscal Analyst: Matthew Grabowski

s0910\1311sa

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.