



**Senate Fiscal Agency**  
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BILL



ANALYSIS

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Senate Bill 981 (Substitute S-2 as reported)  
Sponsor: Senator Bill Schuette  
Committee: Technology and Energy

### **CONTENT**

The bill would amend the Michigan Penal Code to include in the definition of "telecommunications device" cables, converters, decoders, descramblers, satellite equipment, or other devices and equipment, for purposes of the Code's counterfeit telecommunications violations; specify that a counterfeit telecommunications device would be subject to the criminal forfeiture provisions of the Revised Judicature Act (RJA); and specify certain actions that would give rise to a rebuttable presumption that a defendant acted knowingly and with intent to obtain or permit the unauthorized receipt of a telecommunications service. (Public Act 329 of 1996 amended the Code to revise the offense of and penalties for fraudulently avoiding a charge for a telecommunications service and the provision for seizure of telecommunications devices. The bill would expand on those revisions by including the cable and satellite television interception devices in the definition of "telecommunications device".) The court could order that the counterfeit telecommunications device be destroyed, or that it be returned to the telecommunications service provider, if the device were owned or controlled by the provider.

Evidence of any of the following would give rise to a rebuttable presumption that the defendant knowingly engaged in telecommunications violations, with the intent to permit or obtain the unauthorized receipt of a telecommunications service: a counterfeit telecommunications device was present on the defendant's property or in his or her possession; the service provider placed warning labels on its device explaining that tampering with it would be a crime and the device in the defendant's possession had been tampered with; the defendant had published or advertised for sale a plan for a counterfeit telecommunications device and stated or implied that it would enable the unauthorized receipt of telecommunications service; the defendant had advertised for the sale of a counterfeit telecommunications device or kit for a counterfeit device and stated or implied that it would permit the unauthorized receipt of a telecommunications service; the defendant had sold, leased, or offered for sale or lease a counterfeit telecommunications device or a plan or kit for a device and stated or implied that the device would permit the unauthorized receipt of a telecommunications service; or the defendant installed an unauthorized connection or provided another with instructions or advice to do so. (An unauthorized connection would not include an internal connection made by a person within his or her residence for the purpose of receiving authorized telecommunications services.)

MCL 750.540c et al.

Legislative Analyst: P. Affholter

### **FISCAL IMPACT**

The bill would result in increased costs for apprehending, prosecuting, and sanctioning violators of the bill's new provisions. While there are currently no data on the estimated number of potential violators, as a point of reference, in 1995 there was one circuit court conviction of the existing statute regarding altering telephones to avoid bills (MCL 750.540c) and that conviction resulted in a sentence of probation. There is no information on the potential number of convictions for receiving unauthorized cable television service.

Date Completed: 10-2-96

Fiscal Analyst: M. Hansen

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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.