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



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

Senate Bill 280 (as introduced 3-7-01)
Sponsor: Senator Mat J. Dunaskiss
Committee: Technology and Energy

Date Completed: 4-24-01

CONTENT

The bill would create a new act to provide that as used in the State Constitution and the Michigan Compiled Laws, "public utility" would mean a regulated entity that provided energy or telecommunication services under terms and conditions approved or established by the Michigan Public Service Commission or some other governmental entity.

The bill contains the following statement: "The changes in the manner by which energy and telecommunication services are provided to the residents of this state require that the legislature establish a distinction between public utilities and other related service providers."

BACKGROUND

The State Constitution contains several references to public utilities. Four of the references involve franchises. Article 7, Section 19, prohibits a township from granting any public utility franchise that is not subject to revocation at the will of the township, unless approved by a majority of the voters. Article 7, Section 25, prohibits a city or village from acquiring any public utility that furnishes light, heat, or power; from granting any public utility franchise that is not subject to revocation at the will of the city or village unless approved by three-fifths of the electors voting on a proposition; and from selling any public utility unless the proposition is approved by a majority of the electors voting on it.

Article 7, Section 29, provides that no person, partnership, association or corporation, public or private, operating a public utility has the right to the use of the highways, streets, alleys or other public places of any county, township, city or village for wires, poles, pipes, tracks, conduits or other utility facilities, without the consent of the local unit; or to transact local business without first obtaining a franchise from a township, city, or village. Article 7, Section 30, provides that no franchise or license may be granted by a township, city, or village for longer than 30 years.

Article 7, Section 15, gives any county, when authorized by its board of supervisors, the authority to enter or to intervene in any action or certificate proceeding involving the services, charges, or rates of any privately owned public utility furnishing services or commodities to rate payers within the county.

In addition, Article 9, Section 5, requires the Legislature to provide for the assessment of the property of public service businesses by the State.

Legislative Analyst: G. Towne

ISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: M. Tyszkiewicz

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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.