



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 Bill 719 (as introduced 8-31-05)

Sponsor: Senator Jason E. Allen

Committee: Economic Development, Small Business and Regulatory Reform

Date Completed: 9-7-05

CONTENT

The bill would amend Public Act 299 of 1972, which provides for the assessment, collection and disposition of the costs of regulating public utilities, to include wastewater companies in the Act's definition of "public utility".

The Act defines "public utility" as a steam, heat, electric, power, gas, water, telecommunications, telegraph, communications, pipeline, or gas producing company regulated by the Public Service Commission, whether private, corporate, or cooperative, except a municipally owned utility.

Under the Act, an amount attributable to the regulation of public utilities must be assessed against the public utilities and apportioned among them as follows: The gross revenue for the preceding calendar year derived from intrastate operations for each public utility must be totaled and each public utility must pay a portion of the assessment in the same proportion that its gross revenue for the preceding calendar year derived from intrastate operations bears to such total. Each public utility must pay a minimum assessment of \$50.

MCL 460.111

Legislative Analyst: J.P. Finet

FISCAL IMPACT

The bill would provide the Commission with the authority to assess fees on wastewater treatment plants that would be eligible to be regulated under Senate Bill 419 (which would give the Public Service Commission jurisdiction over private wastewater treatment facilities). The amount of revenue that would be generated from the fees would depend on the number of treatment facilities that chose to participate in this program. These fees would cover the staffing and administrative costs associated with this regulation.

Fiscal Analyst: Maria Tyszkiewicz

S0506\s719sa

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.