



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 6428 through 6430 (as passed by the House)
Sponsor: Representative James A. Lower (H.B. 6428)
Representative Beau Matthew LaFave (H.B. 6429)
Representative Aaron Miller (H.B. 6430)
House Committee: Energy Policy
Senate Committee: Energy and Technology

Date Completed: 12-13-18

CONTENT

House Bills 6428 would amend Section 10y of Public Act 3 of 1939, which generally governs municipally-owned utilities, to prohibit a person from providing delivery service or customer account service to a customer that within the previous three years had received that service from a municipally-owned utility unless the utility gave written consent.

House Bill 6429 would amend Public Act 35 of 1951, which governs intergovernmental contracts between municipal corporations, to prohibit a municipal corporation from rendering electric delivery service to a customer that within the previous three years had received service from another utility unless the serving utility gave written consent.

House Bill 6430 would amend the Home Rule City Act to prohibit a city from rendering electric delivery service for heat, power, or light outside its corporate limits to a customer that within the previous three years had received that service from another utility unless that utility consented in writing.

House Bill 6428

Under Section 10y of Public Act 3, except with the written consent of the municipally owned utility, a person may not provide delivery service or customer account service to a retail customer that was receiving that service from a municipally owned utility as of June 5, 2000, or is receiving the service from a municipally owned utility.

Instead, under the bill, except with the written consent of a municipally owned utility, a person could not provide delivery service or customer account service to a customer that was currently receiving *or within the previous three years* had received that service from a municipally-owned utility.

House Bill 6429

Public Act 35 prohibits a municipal corporation from rendering electric delivery services for heat, power, or light to customers outside its corporate limits already receiving from another utility unless the serving utility consents in writing.

Instead, under the bill, a municipal corporation could not render electric delivery service for heat, power, or light outside its corporate limits to a customer that was currently receiving *or within the previous three years* had received the service from another utility unless the serving utility consented in writing.

"Customer" would mean only the building or facilities served rather than the individual, association, partnership, corporation, governmental body, or other entity taking service.

House Bill 6430

Under the Home Rule City Act, a city may not render electric delivery service for heat, power, or light to customers outside its corporate limits already receiving that service from another utility unless that utility consents in writing, and may not render retail electric generation service to customers outside its corporate limits receiving that service from another supplier except in compliance with Section 10y of Public Act 3 of 1939 (which House Bill 6428 would amend).

The bill, instead, would prohibit a city from rendering electric delivery service for heat, power, or light outside its corporate limits to a customer that was currently receiving *or within the previous three years* had received that service from another utility unless that utility consented in writing.

The bill would define "customer" as only the building or facilities served rather than the individual, association, partnership, corporation, governmental body, or other entity taking service.

MCL 460.10y (H.B. 6428)
124.3 (H.B. 6429)
117.4f (H.B. 6430)

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

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

Fiscal Analyst: Elizabeth Raczkowski

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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.