

# HOUSE BILL NO. 4381

April 23, 2025, Introduced by Reps. Wegela, Morgan, Byrnes, McKinney, Price, DeSana, Wilson, McFall, Rheingans, MacDonell and Dievendorf and referred to Committee on Government Operations.

A bill to amend 1939 PA 3, entitled

"An act to provide for the regulation and control of public and certain private utilities and other services affected with a public interest within this state; to provide for alternative energy suppliers and certain providers of electric vehicle charging services; to provide for licensing; to include municipally owned utilities and other providers of energy under certain provisions of this act; to create a public service commission and to prescribe and define its powers and duties; to abolish the Michigan public utilities commission and to confer the powers and duties vested by law on the public service commission; to provide for the powers and duties of certain state governmental officers and entities; to provide for the continuance, transfer, and completion of certain

matters and proceedings; to abolish automatic adjustment clauses; to prohibit certain rate increases without notice and hearing; to qualify residential energy conservation programs permitted under state law for certain federal exemption; to create a fund; to encourage the utilization of resource recovery facilities; to prohibit certain acts and practices of providers of energy; to allow for the securitization of stranded costs; to reduce rates; to provide for appeals; to provide appropriations; to declare the effect and purpose of this act; to prescribe remedies and penalties; and to repeal acts and parts of acts,"

(MCL 460.1 to 460.11) by adding section 6bb.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       **Sec. 6bb. (1) An electric utility, natural gas utility, or**  
 2       **covered person shall not make a donation or contribution to any of**  
 3       **the following:**

4       (b) A 501(c)(4) organization or a 527 organization that is  
 5       controlled or directed by any of the following:

6       (i) A candidate for state office.

7       (ii) An elected state official.

8       (iii) A former elected state official.

9       (iv) An appointed state official.

10      (v) A state or local party committee.

11      (vi) A 501(c)(4) organization or a 527 organization in which a  
 12      state or local candidate, appointed official, or elected official  
 13      established, controls, or sits on the board of that organization.

14      (b) A 501(c)(4) organization or a 527 organization in which a  
 15      candidate for state office, appointed state official, elected state  
 16      official, former elected state official, or an affiliate is  
 17      employed by or sits on the board of that organization.

18      (c) A candidate committee.

19      (d) A political party committee.

20      (e) A political committee.

1 (f) An independent committee.

2 (g) A separate segregated fund.

3 (2) An electric utility and natural gas utility shall attest  
4 to the following:

5 (a) That the utility is not in violation of this section in  
6 all general rate case applications submitted to the commission  
7 under section 6a, on a form prescribed by the commission.

8 (b) That the utility has informed all covered persons about  
9 the requirements of this section and the fines for a violation of  
10 this section.

11 (3) An electric utility, natural gas utility, or covered  
12 person that violates this section is subject to a civil fine of not  
13 less than 5 times and not more than 10 times the amount of the  
14 unlawful contribution. If a covered person violates this section,  
15 the commission may impose additional penalties on an electric or  
16 natural gas utility connected to that covered person, including  
17 denial of any rate increase request by that utility. The commission  
18 shall not impose additional penalties if the electric or natural  
19 gas utility has paid the fines assessed under section 30a of the  
20 Michigan campaign finance act, 1976 PA 388, MCL 169.230a, and the  
21 committee that received the unlawful contribution has returned the  
22 contribution.

23 (4) As used in this section:

24 (a) "Affiliate" means any family member, employee, contract  
25 employee, or staff member of any of the following:

26 (i) An elected state official.

27 (ii) A candidate for state office.

28 (iii) A former elected state official.

29 (iv) An appointed state official.

1 (b) "Candidate" means that term as defined in section 3 of the  
2 Michigan campaign finance act, 1976 PA 388, MCL 169.203.

3 (c) "Candidate committee" means that term as defined in  
4 section 3 of the Michigan campaign finance act, 1976 PA 388, MCL  
5 169.203.

6 (d) "Covered person" means any of the following:

7 (i) A principal of an electric or natural gas utility.

8 (ii) A principal of the holding company for an electric utility  
9 or natural gas utility.

10 (iii) A principal for a company that has a 5% or greater  
11 ownership stake in the electric utility or natural gas utility.

12 (iv) A committee, 501(c)(4) organization, 527 organization, or  
13 separate segregated fund that is any of the following:

14 (A) Organized by any officer, employee, contract employee, or  
15 staff member or any family member of an officer, employee, contract  
16 employee, or staff member of the electric utility or natural gas  
17 utility.

18 (B) Maintains any of the individuals listed in sub-  
19 subparagraph (A) on its board, in leadership positions, or as staff  
20 or consultants.

21 (C) Receives at least half its funding in any year from an  
22 electric utility, natural gas utility, or the principals of an  
23 electric or natural gas utility.

24 (e) "Elected state official" means an individual who holds an  
25 elective state office in this state.

26 (f) "Family member" means any of the following:

27 (i) A spouse or ex-spouse.

28 (ii) A child, stepchild, grandchild, parent, sibling, niece, or  
29 nephew.

1           (iii) The spouse of a child, stepchild, grandchild, parent,  
2 sibling, niece, or nephew.

3           (g) "501(c)(4) organization" means an organization that claims  
4 tax-exempt status under section 501(c)(4) of the internal revenue  
5 code of 1986, 26 USC 501.

6           (h) "527 organization" means an organization that claims tax-  
7 exempt status under section 527 of the internal revenue code of  
8 1986, 26 USC 527.

9           (i) "Former elected state official" means an individual who no  
10 longer holds elective state office but held elective state office  
11 in this state during the previous 2 years.

12           (j) "Independent committee" means that term as defined in  
13 section 8 of the Michigan campaign finance act, 1976 PA 388, MCL  
14 169.208.

15           (k) "Natural gas utility" means that term as defined in  
16 section 9.

17           (l) "Political committee" means that term as defined in section  
18 11 of the Michigan campaign finance act, 1976 PA 388, MCL 169.211.

19           (m) "Political party committee" means that term as defined in  
20 section 11 of the Michigan campaign finance act, 1976 PA 388, MCL  
21 169.211.

22           (n) "Principal" means any of the following:

23           (i) The chief executive officer or a comparable officer.

24           (ii) A member of the board of directors or the equivalent of  
25 the board of directors.

26           (iii) An individual who has an ownership interest of 5% or  
27 greater.

28           (iv) A president, treasurer, or executive vice president.

29           (v) Any officer or employee who has managerial or

1 discretionary responsibilities with respect to government affairs  
2 with this state, a state agency, a local government, or a political  
3 subdivision of a local government.

4 (vi) The spouse or dependent child of an individual listed  
5 under subparagraphs (i) through (v).

6 (vii) A political committee established or controlled by an  
7 individual listed under subparagraphs (i) through (vi), or an  
8 electric or natural gas utility.

9 (viii) Any subsidiary business controlled directly or indirectly  
10 by an electric or natural gas utility.

11 (ix) Any person acting on behalf of the persons listed under  
12 this subdivision, including, but not limited to, a lobbying firm,  
13 employee of a lobbying firm, or family member of an employee of a  
14 lobbying firm if the lobbying firm has a contract with an electric  
15 or natural gas utility.

16 (o) "Separate segregated fund" means a fund established under  
17 section 55 of the Michigan campaign finance act, 1976 PA 388, MCL  
18 169.255.

19 Enacting section 1. This amendatory act does not take effect  
20 unless Senate Bill No. \_\_\_\_ (request no. S00638'25) or House Bill  
21 No. 4382 (request no. H00638'25) of the 103rd Legislature is  
22 enacted into law.