



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5691 (as passed by the House)
Sponsor: Representative James Ryan
House Committee: Appropriations
Senate Committee: Appropriations

Date Completed: 12-10-96

CONTENT

The bill would amend the Social Welfare Act to establish the "Corrections Electrical Usage Fund" to be administered by the Family Independence Agency (FIA) for assisting recipients of Family Independence Assistance in paying the costs of residential utility service. Under the bill, the State Treasurer would deposit into the Fund all money received from electrical usage fees, which would be authorized under House Bill 5620 (S-1), paid to the Department of Corrections by prisoners. House Bill 5620 (S-1), as reported, would allow the Department to charge an electrical usage fee to all prisoners who used, in their personal housing area, any personal property that required the use of electricity. The fee charged would have to be at a rate equivalent to \$3 per month, regardless of the number of days of electrical usage, and be collected from the prisoner's institutional account. The Department of Corrections could retain up to 15% of the total fees collected annually. The remaining portion would be deposited into the Electrical Usage Fund established under House Bill 5691, which is tie-barred to House Bill 5620.

Proposed MCL 400.57i

FISCAL IMPACT

Given that the bill authorizing the collection of an electrical usage fee (HB 5620 (S-1)) is permissive, any revenue collected and deposited in the Corrections Electrical Usage Fund would depend on whether the Department of Corrections would in fact charge, and collect, electrical usage fees from prisoners. In addition, prisoners could choose not to use personal property items that required the use of electricity, opting instead to use items that operated from batteries, for example. If one assumes that the Department would charge a fee, and that half of the current 40,000 prisoners would choose to use personal electrical items and pay the \$3 per month electrical fee, annual revenues could approach \$720,000, of which the Department could retain 15%, or in this example, \$108,000, and the balance, \$612,000 would be deposited into the Fund.

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