

2025 Regular Session

HOUSE BILL NO. 6

BY REPRESENTATIVE JACKSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

CRIME/THEFT: Creates the crime of misappropriation of funds in connection with the payment of utility services

1 AN ACT

2 To enact R.S. 14:71.5, relative to misappropriation without violence; to create the crime of
3 misappropriation of funds in connection with the payment of utility services; to
4 provide for definitions; to provide for penalties; to provide for a statement of
5 legislative intent; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 14:71.5 is hereby enacted to read as follows:

8 §71.5. Misappropriation of funds; utility services

9 A. No person who has received money or payment in accordance with a
10 lease contract or rental agreement to pay utility services shall knowingly do any of
11 the following:

12 (1) Fail to apply the money or payment as necessary to satisfy the amount
13 owed for the utility services during a sixty-day period of time or longer after
14 receiving payment, unless a longer period is specified in the contract.

15 (2) Use or cause an agent or employee to use any deception, false pretense,
16 or false promise in the failure to apply the money or payment as necessary to satisfy
17 the amount owed for the utility services.

18 B.(1) Whoever violates the provisions of this Section when the
19 misappropriation or taking amounts to a value of twenty-five thousand dollars or
20 more shall be imprisoned at hard labor for not more than twenty years, fined not
21 more than fifty thousand dollars, or both.

1 (2) When the misappropriation or taking amounts to a value of five thousand
2 dollars or more, but less than a value of twenty-five thousand dollars, the offender
3 shall be imprisoned with or without hard labor for not more than ten years, fined not
4 more than ten thousand dollars, or both.

5 (3) When the misappropriation or taking amounts to a value of one thousand
6 dollars or more, but less than a value of five thousand dollars, the offender shall be
7 imprisoned with or without hard labor for not more than five years, fined not more
8 than three thousand dollars, or both.

9 (4)(a) When the misappropriation or taking amounts to less than a value of
10 one thousand dollars, the offender shall be imprisoned for not more than six months,
11 fined not more than one thousand dollars, or both.

12 (b) If the offender in such cases has been convicted two or more times
13 previously, upon any subsequent conviction, the offender shall be imprisoned with
14 or without hard labor for not more than two years, fined not more than two thousand
15 dollars, or both.

16 (5) In addition to the penalties provided in Paragraphs (1) through (4) of this
17 Subsection, a person convicted under the provisions of this Section shall be ordered
18 to make full restitution to the victim and any other person who has suffered a
19 financial loss as a result of the offense in accordance with Code of Criminal
20 Procedure Article 883.2.

21 C. For purposes of this Section:

22 (1) "Person" means a natural or juridical person, including but not limited
23 to a sole proprietorship, corporation, company, limited liability company,
24 partnership, limited liability partnership, trust, incorporated or unincorporated
25 association, or any other individual or entity. "Person" shall also include any
26 representative, director, trustee, agent, or officer of a juridical person who is
27 authorized and responsible for making payments for utility services.

28 (2) "Utility services" means any water, electricity, gas, heat, or sewer
29 services, whether privately, municipally, cooperatively, or investor-owned.

1 Section 2. It is the intent of the legislature to establish a clear criminal offense for
2 the misappropriation of utility funds received under a lease or rental agreement. This statute
3 is designed to address circumstances where payments collected for utility services are
4 knowingly or fraudulently diverted, resulting in harm to tenants and utility providers. It is
5 not intended to apply to isolated errors or good-faith disputes, but rather to conduct that
6 reflects a pattern of intentional nonpayment, misrepresentation, or deception. The legislature
7 further intends for this statute to apply to both natural and juridical persons, including
8 entities, in line with other Louisiana statutes addressing contract-based financial misconduct.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 6 Reengrossed

2025 Regular Session

Jackson

Abstract: Creates the crime of misappropriation of funds in connection with the payment of utility services.

Proposed law provides that no person who has received money or payment in accordance with a lease contract or rental agreement to pay utility services shall knowingly do any of the following:

- (1) Fail to apply the money or payment as necessary to satisfy the amount owed for the utility services during a 60-day period of time or longer after receiving payment, unless a longer period is specified in the contract.
- (2) Use or cause an agent or employee to use any deception, false pretense, or false promise in the failure to apply the money or payment as necessary to satisfy the amount owed for the utility services.

Proposed law provides that a person who violates proposed law shall be punished as follows:

- (1) When the misappropriation or taking amounts to a value of \$25,000 or more, the offender shall be imprisoned at hard labor for not more than 20 years, fined not more than \$50,000, or both.
- (2) When the misappropriation or taking amounts to a value of \$5,000 or more, but less than a value of \$25,000, the offender shall be imprisoned with or without hard labor for not more than 10 years, fined not more than \$10,000, or both.
- (3) When the misappropriation or taking amounts to a value of \$1,000 or more, but less than a value of \$5,000, the offender shall be imprisoned with or without hard labor for not more than five years, fined not more than \$3,000, or both.
- (4) When the misappropriation or taking amounts to less than a value of \$1,000, the offender shall be imprisoned for not more than six months, fined not more than \$1,000, or both. Further provides that if the offender in such cases has been convicted two or more times previously, upon any subsequent conviction, the

offender shall be imprisoned with or without hard labor for not more than two years, fined not more than \$2,000, or both.

Proposed law provides that in addition to the penalties provided in proposed law, a person convicted under proposed law shall be ordered to make full restitution to the victim and any other person who has suffered a financial loss as a result of the offense in accordance with C.Cr.P. Art. 883.2.

Proposed law defines the terms "person" and "utility services".

Proposed law provides for a statement of legislative intent.

(Adds R.S. 14:71.5)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Administration of Criminal Justice to the original bill:

1. Make technical changes.
2. Change the penalties in proposed law from imprisonment at hard labor for not more than 10 years, fine of not more than \$100,000, or both, to the penalties contained in the present law offense of theft (R.S. 14:67).
3. Clarify proposed law provisions relative to payment of restitution.
4. Clarify the definitions of "person" and "utility services".
5. Remove the proposed law offense of misappropriation of funds in connection with the payment of utility services from the present law (R.S. 14:230.1) list of offenses where all facilitating property, proceeds, and commingled funds are required to be seized and forfeited if involved or derived from such offenses.
6. Remove proposed law offense from the list of present law offenses that constitute "racketeering activity" under the La. Racketeering Act.
7. Remove the directive to the La. State Law Institute to renumber provisions of present law (R.S. 15:1352(A)) so as to properly place proposed law.

The House Floor Amendments to the engrossed bill:

1. Make technical changes.
2. Clarify the elements of proposed law.
3. Clarify the definition of "person".
4. Provide for a statement of legislative intent.