



**House
Legislative
Analysis
Section**

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COLLECTING EMERGENCY FEES

**House Bill 4159 with committee
amendments
First Analysis (3-9-95)**

**Sponsor: Rep. Sandra Hill
Committee: Local Government**

THE APPARENT PROBLEM:

Under Public Act 133 of 1951, which applies to townships, villages, and cities with populations under 15,000, municipalities providing emergency police or fire services, including municipalities acting jointly, are permitted to collect fees for the service. (Also, fees can be charged by a municipality or county for emergency ambulance or inhalator services provided alone or jointly.) In an example provided to the House Local Government Committee, one township (Flushing Township) contracts with an adjoining city for fire protection and sends the property owner a bill if he or she needs fire protection services. The township reportedly bills up to \$500 per run (and the unit's budget covers the remainder of the \$1,150 per run cost). Often the cost of the service is covered by the property owner's insurance. When the property owner does not pay the fee, it is difficult for the township to collect (even through the small claims court process). The treasurer of Flushing Township indicated that some \$6,000 in fees could not be collected in a recent year. One way to improve collections of unpaid fees would be to add them to the property tax rolls and collect them in the same manner as property taxes.

THE CONTENT OF THE BILL:

The bill would amend Public Act 133 of 1951 to allow the legislative body of a municipality or county to collect fees imposed for certain emergency services in a manner similar to that used to collect property taxes. (The bill would apply to fees for emergency police or fire service and emergency ambulance and inhalator service, whether the services were provide by the unit of government alone or jointly with another unit.) Under the bill, such fees could become a lien upon the property for which the service was rendered and fees delinquent for more than three months could be certified to the proper assessing officer or agency and entered upon the next tax roll against the property. Fees

would be collected and the lien enforced in the same manner as provided for the collection of taxes assessed upon the tax roll and the enforcement of a lien for unpaid taxes under the General Property Tax Act. (However, property would not be subject to the delinquent tax sale process in the act for non-payment of the fees unless the property was also subject to sale for delinquent property taxes.)

MCL 41.806a

FISCAL IMPLICATIONS:

The bill has no fiscal implications, according to a preliminary analysis by the House Fiscal Agency. (3-8-95)

ARGUMENTS:

For:

The bill would provide certain municipalities with an additional tool to use in trying to collect overdue bills sent to property owners to cover the cost of emergency fire and ambulance runs. This means that unpaid bills would go on the tax rolls and liens could be placed against property if the fees weren't paid. Furthermore, penalties and interest would accrue. (The overdue fees could not, however, in and of themselves cause property to go to a tax sale.) By treating emergency fees like property taxes, the bill provides an additional incentive for property owners to pay.

Against:

Some people would suggest that the emergency services in question here, particularly fire services, ought to be paid for by the whole community and not by those who need the services. The issue has also been raised as to whether the delinquent emergency fee should be subject to penalties and interest like unpaid property taxes.

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Response:

These fees have a long history. It is not always possible to provide such services entirely out of general tax revenues. The bill is simply aimed at making them easier to collect. Any interest that accrued would be additional incentive to pay the fees when they were billed. In many cases, there is insurance coverage to defray the cost of the fees.

POSITIONS:

The Michigan Townships Association supports the bill. (3-8-95)

The Michigan Municipal League supports the bill. (3-8-95)