



House
Legislative
Analysis
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FIRE SAFETY FEES

House Bill 4860 (Substitute H-1)
First Analysis (5-31-95)

Sponsor: Rep. Jim McBryde
Committee: Appropriations

THE APPARENT PROBLEM:

The proposed budget for the Department of State Police calls for increasing appropriations for the State Fire Marshall Division from approximately \$8.67 million, in the 1994-95 fiscal year, to about \$9.7 million for the 1995-96 fiscal year. At the same time, the governor has proposed cutting some \$1.64 million from general fund appropriations for fire marshal programs from the previous fiscal year, and replacing this revenue with fee assessments for fire safety inspection and enforcement activities provided either by the state or its local governments. Legislation is needed to permit the state fire marshal or local units of government with oversight over fire safety programs to charge fees for various fire safety enforcement and inspection activities.

THE CONTENT OF THE BILL:

The bill would amend the Fire Prevention Code to add a new section that would authorize the director of the Department of State Police, or the governing body of a county, city, village, or township which has been delegated by the department to enforce fire safety rules, to establish "reasonable fees" that could be charged for any of the following services (performed either by state inspectors or local full-time inspectors):

- * Inspection of plans and specifications;
- * Issuance of construction approvals and permits;
- * Inspections at construction sites;
- * Issuance of occupancy and use approvals;
- * The annual inspection of existing facilities; or
- * Enforcement of fire codes.

Fees charged by the department under the bill would have to be deposited in the general fund, and

could only be used for funding the services for which they were collected. Also, the fees would be in addition to fees charged for services other than those specified in the bill.

(Currently, the act permits the state fire marshal, upon request by resolution of the governing body of a city, village, or township, to delegate to one or more full-time employees of the respective municipality the authority to enforce the act's fire safety rules; the bill would add counties to the list of municipalities that could request and be delegated this authority.)

MCL 29.2b and 29.2c

FISCAL IMPLICATIONS:

The State Fire Marshall Division, within the Department of State Police, says the bill would generate approximately \$2.5 million in state revenue from fees that could be charged for various fire safety inspection and enforcement activities provided by the state fire marshal, which would go into the general fund and could only be used to fund these activities. Fiscal impact to local governments would depend on whether a municipality had been delegated with authority by the fire marshal to enforce the act's fire safety rules and on the level of fees that were assessed under the bill for various fire safety activities. (5-30-95)

ARGUMENTS:

For:

The bill would enable the state to shift the burden of funding various fire safety enforcement and inspection activities currently provided either by the state fire marshal or by local governments to whom it has delegated this authority from the state's general fund to user fees that could be charged to those subject to inspections and other fire safety activities. In his proposed budget for the 1995-96

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fiscal year, the governor has recommended adding a little more than \$1 million to the fire marshal's budget, cutting general fund expenditures for that budget by approximately \$1.6 million, and utilizing user fees to make up the difference. It is estimated the bill would generate about \$2.5 million in revenue that would be earmarked solely for this division's fire safety activities. The bill also would permit local governments delegated by the fire marshal to enforce the act's fire safety rules--including counties--to assess fees for their various enforcement and inspection activities. Apparently, a number of local units already charge fees for these services.

Response:

The bill is merely another example of the state shifting responsibility of funding activities it is charged with providing to ensure the safety of its citizens from its general fund to "user fees." Many may perceive the bill to represent an increase in taxes in the form of fees.

POSITIONS:

The Department of State Police supports the bill.
(5-30-95)

The State Fire Marshall Division supports the bill.
(5-30-95)

The Michigan Municipal League supports the concept of the bill. (5-30-95)