



**Senate Fiscal Agency**  
**P. O. Box 30036**  
**Lansing, Michigan 48909-7536**

**BILL ANALYSIS**



**Telephone: (517) 373-5383**  
**Fax: (517) 373-1986**

House Bill 4159 (Substitute S-1 as reported)  
 Sponsor: Representative Sandra Hill House  
 Committee: Local Government  
 Senate Committee: Local, Urban and State Affairs

Date Completed: 6-5-95

**RATIONALE**

Public Act 33 of 1951 provides for police and fire protection for townships, villages, and cities with a population under 15,000. The Act permits the legislative body of a municipality--or the legislative bodies of municipalities acting jointly--to authorize the collection of fees for emergency police or fire service. In addition, municipalities and counties may collect fees for emergency ambulance or inhalator services. In one reported example, the Township of Flushing 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 evidently bills up to \$500 per run (which commonly is covered by the propertyowner's insurance) and the township's budget covers the remainder of the \$1,150 cost per run. When the property owner does not pay the fee, it is difficult for the township to collect. Reportedly, Flushing Township was unable to collect some \$6,000 in fees in a recent year. It has been suggested that the collection of fees would be improved if unpaid fees could be added to the property tax rolls and recovered in the same manner as property taxes.

**CONTENT**

**The bill would amend Public Act 33 of 1951 to provide for the collection of fees imposed for certain emergency services in a manner similar to that used to collect property taxes.**

The Act allows the legislative body of a municipality providing emergency police or fire service to authorize, by ordinance, the collection of fees for those services. In addition, the board of a township or county that provides emergency ambulance and inhalator service may authorize, by

ordinance, the collection of fees for the service. Under the bill, the fees could be collected from the person for whose benefit the service had been rendered. The bill would delete reference to emergency police service.

The bill specifies that the legislative body of a municipality or county could provide that fees imposed for emergency fire or ambulance and inhalator services would be a lien upon the property owned by the person and subject to taxation under the General Property Tax Act. The legislative body also could provide that fees that were delinquent for more than three months could be certified to the municipality's or county's tax assessing officer or agency and be entered upon the next tax roll against the property. The fees would have to 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. Property would not be subject to sale under the General Property Tax Act for nonpayment of the fees, however, unless the property also were subject to sale under that Act for delinquent property taxes.

MCL 41.806a

**SENATE COMMITTEE ACTION**

The Senate Committee on Local, Urban and State Affairs adopted a substitute (S-1) to the bill, which specifies that the fees would have to be collected from the person for whose benefit the emergency service was rendered. The Senate substitute also would omit reference to the collection of fees for police service.

## **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

### **Supporting Argument**

The bill would give certain municipalities an additional tool to use in trying to collect unpaid bills sent to property owners to cover the cost of emergency fire and ambulance runs. Under this legislation, overdue bills could go on the tax rolls and liens could be placed against property if the fees remained unpaid for more than three months. In addition, penalties and interest would accrue on the amount unpaid, which could encourage the responsible party to pay. Overdue fees could not, however, by themselves cause property to go to a tax sale. In addition, the Senate substitute would make it clear that the fees could be collected only from the person for whose benefit an emergency service was rendered and a lien could be placed only against that person's property; this would ensure, for example, that a lien was not placed against rental property for services provided to a tenant. By treating emergency fees like property taxes, the bill would provide an additional incentive for property owners to pay. At the same time, if a property owner could not afford to pay a fee, it would be recovered at the time the property was sold, which would ensure that the owner was not dunned for payment in the meantime. Finally, the Senate substitute would delete reference to the collection of fees for police services; apparently, municipalities subject to Public Act 133 currently do not collect fees for these services (although courts sometimes order convicted individuals to pay them).

### **Opposing Argument**

The cost of emergency services should be apportioned across a municipality. Not everyone can afford to pay these fees, and not everyone has insurance that covers them.

**Response:** Whether user fees actually are charged depends on various factors, including whether a municipality is providing emergency services by itself and covering their cost through an ad valorem tax, or whether a municipality has entered into a contract with another local unit and is charged according to the extent of the services provided. If fees are in fact collected and an individual is unable to pay, it is possible for that person to obtain a waiver based on financial hardship.

Legislative Analyst: S. Margules

## **FISCAL IMPACT**

The bill would allow local units to add to property tax rolls emergency fees delinquent for more than three months. If delinquent emergency fees were added to property tax bills, the collection method would be simplified and penalties and interest fees would encourage property owners to pay. Local units would be able to collect emergency fees more easily and sooner. This bill would have no fiscal impact on State government.

Fiscal Analyst: R. Ross

H9596\S4159A

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.