



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 689 (as reported without amendment)
Sponsor: Senator Tony Stamas
Committee: Local, Urban and State Affairs

CONTENT

The bill would amend the governmental immunity law to establish immunity for a municipal corporation or organized fire department that donated fire control or rescue equipment. The bill also would extend immunity to a municipal corporation or organized fire department that received donated equipment.

Specifically, a municipal corporation, organized fire department, or agent of a municipal corporation or organized fire department that donated fire control or rescue equipment to another municipal corporation or organized fire department would not be liable for damages for personal injury, death, or property damage proximately caused after the donation by a defect in the equipment.

Before using donated equipment, a municipal corporation or organized fire department that received the equipment would have to have it tested, repaired, or maintained if required by State or Federal law, rule, or regulation, and could not use the equipment unless the use complied with State and Federal laws, rules, and regulations. A municipal corporation or organized fire department that complied with these provisions would not be liable for damages for personal injury, death, or property damage proximately caused by a defect in the donated equipment. This immunity from liability, however, would not affect the rights of an employee or volunteer of the municipal corporation or organized fire department to benefits under the Worker's Disability Compensation Act or any similar law.

Proposed MCL 691.1407c

Legislative Analyst: J.P. Finet

FISCAL IMPACT

The bill would have no effect on State revenue or expenditures. The bill would have an indeterminate, and likely minimal, impact on local revenue and expenses. The bill would reduce expenses associated with liability for donated equipment and thus presumably would increase the number of instances in which donations are made. However, the bill also would require donated equipment to meet certain standards and would not absolve local units of liability under worker's compensation laws. It is unknown if these changes also might make recipients less likely to accept donated equipment. The net effect likely would lower expenses for both donors and recipients, although the impact is expected to be minimal.

This estimate is preliminary and will be revised as new information becomes available.

Date Completed: 5-5-06

Fiscal Analyst: David Zin