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BILL ANALYSIS



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Senate Bill 689 (as introduced 8-31-05)
Sponsor: Senator Tony Stamas
Committee: Local, Urban and State Affairs

Date Completed: 5-4-06

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 if the municipal corporation or fire department had the equipment tested, repaired, or maintained as required by law, and did not use the equipment unless it complied with State and Federal law.

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.

"Organized fire department" would mean that term as defined in Section 1 of the Fire Prevention Code. (The Code defines "organized fire department" as an organization or department that provides fire suppression and other fire-related services within a city, village, or township and is a fire department of a city, village, or township, or a fire service designated by a city, village, or township, pursuant to a contract. The term includes a department of county employees who are responsible for fire suppression and other fire-related services for an airport operated by the county or an agency of the county.)

(The governmental immunity law defines "municipal corporation" as a city, village, or township or a combination of two or more of these when acting jointly.)

Proposed MCL 691.1407c

Legislative Analyst: Suzanne Lowe

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.

Fiscal Analyst: David Zin

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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.