

Legislative Analysis



CARNIVAL SAFETY UPDATES AND FAIR AND FESTIVAL CARNIVAL SAFETY PARTNERSHIP

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<http://www.house.mi.gov/hfa>

House Bills 4584, 4585, and 4586 as introduced
Sponsor: Rep. Thomas A. Albert
Committee: Regulatory Reform
Revised 6-18-19

Analysis available at
<http://www.legislature.mi.gov>

BRIEF SUMMARY:

House Bills 4584 and 4586 would amend the Carnival-Amusement Safety Act of 1966 to create a voluntary “Michigan Safety Amusement Star Program” and to update the operating fees for carnivals, respectively. House Bill 4585 would create a “Fair and Festival Carnival Safety Partnership Act” to reward agricultural fairs and festivals for meeting certain safety standards.

DETAILED SUMMARY:

House Bill 4584 would require the director of the Department of Licensing and Regulatory Affairs (LARA) to create and administer a voluntary “Michigan Safety Amusement Star Program” to recognize owners and operators of carnival or amusement rides that met certain safety standards.

The rules promulgated by the LARA director would have to include all of the following:

- A requirement that the owner/operator requesting a star rating submit an application that includes a description of the owner/operator’s staff safety training programs, each program concerning safety hazard prevention and control, and the owner/operator’s emergency response planning and procedures.
- A requirement for payment of a \$350 application fee.
- Eligibility standards for the award of a star rating, including that an owner/operator could only receive a star rating if there were no fatalities or life-altering injuries at a location where he or she operates for one year before and after the application date.
- Any other provisions the LARA director considers necessary or appropriate to implement and administer these requirements.

LARA would also have to provide an owner/operator receiving a star rating with a flag and other promotional materials as determined by LARA, and would have to include the owner/operator in a list of star rating recipients on its website.

Finally, the bill would replace references to the Department of Consumer and Industry Services (CIS) with references to LARA. CIS was renamed the Department of Labor and Economic Growth by Executive Reorganization Order 2003-1,¹ and then renamed the Department of Energy, Labor, and Economic Growth (DELEG) by Executive Order 2008-20,² before becoming LARA under Executive Order 2011-4.³

MCL 408.652 and proposed 408.657a

¹ <http://legislature.mi.gov/doc.aspx?mcl-445-2011>

² https://www.michigan.gov/formergovernors/0,4584,7-212-57648_21975-202403--,00.html

³ <http://www.legislature.mi.gov/documents/2011-2012/executiveorder/pdf/2011-EO-04.pdf>

House Bill 4586 would adjust the fees for carnivals for the first time since 1982, and step up the fees on the following schedule:

Table A

	Current	If paid between 9/30/19 and 10/1/21	If paid between 9/30/21 and 10/1/23	If paid between 9/30/23 and 10/1/25
Permit to operate	\$10	\$15	\$20	\$30
Annual inspection				
• Kiddie rides	\$40	\$60	\$80	\$120
• Fixed coaster	\$90	\$135	\$180	\$270
• Aerial lifts	\$115	\$172.50	\$230	\$345
• Miscellaneous rides	\$50	\$75	\$100	\$150
Reinspection				
• Kiddie rides	\$20	\$30	\$40	\$60
• Fixed coaster	\$75	\$112.50	\$150	\$225
• Aerial lifts	\$75	\$112.50	\$150	\$225
• Miscellaneous rides	\$20	\$30	\$40	\$60
Special inspector commission	\$5	\$7.50	\$10	\$15

MCL 408.658 and 408.667

House Bill 4585 would create the “Fair and Festival Carnival Safety Partnership Act,” which would require the director of the Michigan Department of Agriculture and Rural Development (MDARD) to create and administer a voluntary program to reward agricultural fairs and festivals that met certain health and safety standards.

Rules promulgated by the MDARD director would have to include the following:

- An application process by which a fair or festival owner/operator could apply for recognition as a safety partner.
- Signing of an agreement by the owner/operator stating that the fair or festival will uphold the standards for partnership recognition.
- Collection of a partnership fee of up to \$300.
- Eligibility standards for awarding recognition, which would have to include demonstrated compliance with all applicable state and federal health and safety laws and standards, identifiable efforts to promote awareness of carnival rider health and safety, and designation of a safety representative.

An awarded partnership would be valid for three years after approval and could be renewed using the same process.

MDARD would have to provide to a fair or festival that is awarded recognition a banner and other promotional materials as determined by MDARD, and would have to include the fair or festival on a list of safety partner award recipients on its website.

FISCAL IMPACT:

House Bill 4584 would require LARA to create and administer the “Michigan Safety Amusement Star Program.” The bill would establish a \$350 fee for applications for the star rating; revenues from this fee would depend on the number of entities applying for the star rating. It is presently indeterminate whether departmental costs would be sufficiently offset by application fee revenues. The department anticipates cost increases of indeterminate magnitude for materials and administrative costs related to the program. The department estimates that, at present, there are approximately 280 entities that would be eligible to participate in the program.

House Bill 4585 would establish specific new program requirements for MDARD. We have not yet obtained an estimate of staffing requirements or related cost estimates. The bill does provide for the collection by the department of a fair or festival partnership fee, not to exceed \$300, that is reasonably calculated to meet the costs of the program.

House Bill 4586 would increase fees assessed for operating permits, annual inspections, reinspections, and special inspector commissions, as provided in Table A, above. The fee increases would result in increased revenues, which LARA estimates would increase revenues from approximately \$130,600 at present to \$195,900 through the end of 2020; \$261,200 in 2021 and 2022; and \$391,700 in 2023 and 2024.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.