

Legislative Analysis



POLICE AND FIRE SPECIAL ASSESSMENTS

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House Bill 4281 (H-2) as reported from committee
Sponsor: Rep. Alex Garza
Committee: Local Government and Municipal Finance
Complete to 10-13-21

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

SUMMARY:

House Bill 4281 would amend 1951 PA 33, which addresses the funding of police and fire protection services by townships, villages, and certain qualified cities, to change the population threshold for qualified cities under the act (from cities with fewer than 15,000 residents to those with fewer than 15,500) and also to provide that the city of Romulus is a qualified city.

1951 PA 33 applies to townships and adjoining townships and incorporated villages and **qualified cities**. Among other things, the act authorizes these municipalities to provide funding to equip, maintain, and operate police and fire departments and to levy a special assessment on property in the area benefited by the police or fire services. Municipalities can issue bonds in anticipation of the collection of the assessments. Municipalities can charge fees for emergency police, fire, or ambulance services. Contiguous municipalities can act jointly under the act.

Currently, **qualified city** means either of the following:

- A city with a population of less than 15,000.
- A city with a population of at least 15,000 but less than 70,000 that is located in a county with a population of more than 180,000 and less than 215,000, as long as the question of raising money by special assessment under the act and the annual amount of the special assessment is approved by a majority of voters in the special assessment district. [This provision refers to the city of Saginaw.]

The bill would change the qualifying population thresholds in the definition of **qualified city** from 15,000 to 15,500 and also add parameters that apply only to Romulus. Under the bill, **qualified city** would mean any of the following:

- A city with a population of less than 15,500.
- A city with a population of at least 15,500 but less than 70,000 that is located in a county with a population of more than 180,000 and less than 215,000, as long as the question of raising money by special assessment under the act and the annual amount of the special assessment is approved by a majority of voters in the special assessment district. [This provision refers to the city of Saginaw.]
- A city that is located in a county with a population of more than 1.5 million and that contains an airport with 10.0 million or more enplanements (passengers) in any 12-month period,¹ as long as the question of raising money by special assessment under the act and the annual amount of the special assessment is approved by a majority of voters in the special assessment district. [This provision refers to the city of Romulus.]

MCL 41.810

¹ See the definition of “qualified airport” in the Aeronautics Code: <http://legislature.mi.gov/doc.aspx?mcl-259-109>

BACKGROUND:

House Bill 4281 would allow a city with a population of less than 15,500 (instead of less than 15,000) to be a qualified city under 1951 PA 33.

The only cities that are not qualified cities under the act (using 2020 population numbers) but would be under the bill are Berkley (15,194) and Harper Woods (15,492). Both were qualified cities under the act using 2010 numbers. The bill would allow them to retain this status.

Traverse City and Wixom were qualified cities using 2010 numbers but, using 2020 numbers, are no longer qualified cities under the act and would not be qualified cities under the bill.

Saginaw (44,202) is currently a qualified city because Livingston County (193,866) and Saginaw County (190,124) are the only counties with populations between 180,000 and 215,000 and Saginaw is the only city in either of those counties with a population between 15,000 and 70,000. Saginaw also would be a qualified city under the bill.

The criteria added by the bill for a qualified city that is located in a county with a population over 1.5 million and has an airport with 10.0 million or more enplanements in any 12-month period would apply only to the city of Romulus. Wayne County (1,793,561) is the only Michigan county with a population greater than 1.5 million, and Romulus is the only city in Wayne County that contains such an airport (Detroit Metropolitan Wayne County Airport).

Note that when a Michigan law contains population requirements, the population is based on the most recent federal decennial census unless the law specifically provides otherwise.

BRIEF DISCUSSION:

Different communities across the state face unique issues of public safety and public safety funding. 1951 PA 33 has been valuable in enabling rural and small communities to support and maintain essential emergency services. It was first enacted to provide a funding mechanism for township fire services and equipment. Over the years, it has been expanded to also include villages (in 1960), cities with a population below 15,000 (in 1966), and police services and equipment (in 1989). This bill would primarily address the distinctive circumstances of two cities, Romulus and Harper Woods.

The location of Detroit Metropolitan Wayne County Airport in Romulus makes that city a busy and essential part of Michigan's transportation infrastructure and imposes extraordinary public service responsibilities on its first responders. According to committee testimony, about 36.0 million passengers pass through the city every year, and about 20,000 airport employees come to work in Romulus each week. However, there is no tax benefit to the city from the airport itself. Without the resources a larger city might have, Romulus has limited funding with which to meet its public safety responsibilities for its residents, for those who work at the airport, and for airline passengers from Michigan or elsewhere who visit the city in their travels. Romulus has only one fire station, and concerns have been raised about increased response times. The bill would define Romulus as a qualified city under 1951 PA 33, allowing it to fund emergency services and the purchase of fire and police equipment under that act.

As noted above, Harper Woods is one of four cities whose 2010 population was below 15,000, qualifying them under the act, but whose 2020 population is over 15,000, now making them ineligible. Reportedly, Harper Woods is the only one of those cities that is currently levying a special assessment approved under the act for police and fire services. (It has been using the assessment for 10 years.) According to committee testimony, the assessment brings in \$4.0 million of the city's \$12.0 million general fund budget. Without the ability to use the funding mechanism under 1951 PA 33, Harper Woods would have to cut its police and fire departments by more than half, as well as cutting civilian aides and support services. Supporters of the bill note that the population growth that made Harper Woods ineligible is generally a positive trend, and related to promising developments in the city's future tax base, which could be jeopardized if the city cannot continue to provide quality fire and police services due to that very growth. The bill would increase the population threshold for qualified cities under 1951 PA 33 from 15,000 to 15,500, allowing Harper Woods (population 15,492) to continue its customary operations in funding and providing fire and police services under that act.

FISCAL IMPACT:

House Bill 4281 would have no direct fiscal impact on the state or local units of government. While the bill would expand the number of qualified cities under the act, the act is permissive in nature. The requirement that voters approve the special assessment would apply to the new qualified city. The bill also would allow two previously qualified cities to retain their status as qualified cities under the act.

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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.