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SFA**BILL ANALYSIS**

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Senate Bill 805 (Substitute S-2 as reported)

Sponsor: Senator Mike Rogers

Committee: Human Resources, Labor, Senior Citizens and Veterans Affairs

CONTENT

The bill would amend Public Act 306 of 1937, which regulates the construction, reconstruction, and remodeling of school buildings, to provide that the Department of Consumer and Industry Services (DCIS) would be responsible for the administration and enforcement of the Act and the State Construction Code Act in each school building in Michigan. The bill would delete the current requirement that the Superintendent of Public Instruction approve plans and specifications for school building construction. The DCIS also would have to develop a plan for conducting safety inspection of school buildings constructed, remodeled, or reconstructed in Michigan since January 1, 1978, and implement that plan within five years of the bill's effective date. The bill would take effect on July 1, 2001.

Except as otherwise provided in the bill, the DCIS would have to perform for school buildings all plan reviews within 60 days from the date plans were filed or considered approved, and perform inspections within five business days as required by the State Construction Code. The DCIS would have to be the enforcing agency for the Act, but would have to delegate responsibility for its administration and enforcement to an applicable agency, if both the school board and the governing body of the local unit of government annually certified to the DCIS that full-time Code officials, inspectors, and plan reviewers would conduct plan reviews and inspections of school buildings.

The bill states that it would not affect the responsibilities of the DCIS under the Fire Prevention Code. The Bureau of Construction Codes and the Office of Fire Safety jointly would have to develop procedures to use the plans and specifications submitted in carrying out the requirements of the Act and the Fire Prevention Code. A code enforcement agency could not issue a certificate of occupancy until a certificate of occupancy was issued under the Fire Prevention Code.

MCL 388.851 et al.

Legislative Analyst: P. Affholter

FISCAL IMPACT

Department of Consumer and Industry Services. The Department's Bureau of Construction Codes could increase revenue as this bill would require inspections of all electrical, mechanical, plumbing, and structural systems, plan reviews, including those done by the Office of Fire Safety, and permitting for any construction on school buildings Statewide. Currently, the DCIS conducts approximately 60% of the school building electrical inspections (none in any of the metropolitan areas), 30% of the plumbing inspections, 40% of the mechanical inspections, and no structural inspections. Additionally, this bill would require the DCIS to develop a plan to conduct inspections of school buildings that experienced any construction activity after 1977. These costs would be offset by the additional restricted revenue that would be generated from the fees charged to school districts for the provision of this service; therefore, no General Fund dollars would be needed to fund this program. A \$200 fee would be charged to conduct all of these inspections. The bill also would allow the Department to contract with local inspectors to conduct these inspections.

Department of Community Health. The elimination of the Department of Community Health's supply, sanitation, and food handling responsibilities would not affect fee collections as school buildings are exempted from such fees. The decreased number of such inspections could lead indirectly to savings for the Department.

Local Government. Local school districts would experience an indeterminate fiscal impact from this legislation. Currently, school districts pay fees to the OFS for inspection services. Since the bill would

eliminate this requirement, districts would experience savings. However, the bill then would require inspections by the Bureau of Construction Codes as outlined above. The fees charged by the Bureau probably would offset the savings from the elimination of fire safety plan reviews. If the fees charged by the Bureau exceeded the savings, local districts would incur additional costs associated with this legislation.

Date Completed: 5-23-00

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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.