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BILL ANALYSIS

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House Bill 6338 (Substitute H-1 as passed by the House)
Sponsor: Representative Jim Howell
House Committee: Local Government and Urban Policy
Senate Committee: Commerce and Labor

Date Completed: 12-2-04

CONTENT

The bill would amend Public Act 33 of 1951, which provides for police and fire protection for townships, incorporated villages, and cities under 15,000 population, to refer to "qualified cities" instead of cities with a population under 15,000. A "qualified city" would be a city with a population of less than 70,000 that was located in a county with a population over 200,000 and less than 250,000.

Under the Act, the governing bodies of two or more contiguous townships, villages, or cities may, acting jointly, create a joint police administrative board, fire administrative board, or police and fire administrative board. The Act also authorizes all of the following:

- Creating special assessment districts and levying and collecting special assessments.
- Contracting for fire and police protection.
- Purchasing, maintaining, and operating fire and police equipment and defraying the cost of that equipment.

The Act applies to townships, and adjoining townships and incorporated villages and cities under 15,000 inhabitants acting jointly. Under the bill, the Act would apply to joint actions by townships and adjoining townships and incorporated villages and qualified cities.

MCL 41.810 & 41.811

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no effect on State revenue or expenditures, and an indeterminate effect on local revenue and/or expenditures. Presumably, local units enter into joint arrangements under the Act in order to achieve some goal(s), including coordination of services across adjoining jurisdictions or cost efficiencies. As a result, local units allowed to enter into joint arrangements under the bill could be able to save money in providing certain services, either resulting in less need for future millage rate increases or allowing millage rates to be reduced. It is unknown how many local units would choose to engage in joint operations as a result of the bill.

Similarly, because the Act allows special assessments to be levied to pay for joint services, some local units could experience higher taxes and greater revenue. Presumably, these circumstances would occur only in local units where the services are not already being provided or are not being provided at the level that would occur under the bill.

The fiscal impact 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.