

Senate Fiscal Agency
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SFA



BILL ANALYSIS

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Senate Bill 1167 (as enrolled)
House Bill 5891 (as enrolled)
Sponsor: Senator John J.H. Schwarz, M.D. (S.B. 1167)
Representative Deborah Cherry (H.B. 5891)

PUBLIC ACT 507 of 1998
PUBLIC ACT 503 of 1998

Senate Committee: Economic Development, International Trade and Regulatory Affairs
House Committee: Regulatory Affairs

Date Completed: 1-11-99

RATIONALE

Until recently, miniature hobby railroaders were allowed to operate miniature hobby locomotives powered by steam without obtaining a license from the State. They have reportedly maintained a strict standard of safety and care. Apparently, however, the Department of Consumer and Industry Services began inspecting the miniature hobby locomotives and contended that the trains were carnival rides and subject to regulation under the Carnival-Amusement Safety Act. The Act requires a permit, annual inspections, reinspections, special inspector commissions, and insurance or a bond for carnival or amusement rides. ("Carnival or amusement ride" means a device that carries or conveys passengers along, around, or over a fixed or restricted route or course for the purpose of giving its passengers amusement, pleasure, thrills, or excitement.) Since most miniature railroaders evidently operate their trains as a hobby while maintaining a good safety record, many people believe that miniature hobby locomotives should be exempt from State licensing requirements under the Carnival-Amusement Safety Act.

Further, the Boiler Act regulates the use, construction, installation, and repair of boilers, but exempts the following: boilers under Federal control, boilers used in power plants of self-propelled vehicles, boilers for agricultural purposes, steam or vapor boilers and hot water boilers in private residence, antique traction steam boilers, and boilers on farms for mint processing. Many people believe that boilers used in miniature hobby locomotives also should be exempt from the Boiler Act, subject to inspections by the Department or a miniature hobby locomotive club if a train is operating in a public display or use.

CONTENT

Senate Bill 1167 amended the Carnival-Amusement Safety Act to exempt from the Act's inspection, licensing, and regulation provisions of carnival and amusement rides, a hobby locomotive operating on narrow gauge tracks less than 24 inches wide and powered by steam, electricity, gas, or other fuel, whether or not it is operated on the owner's property. Under the bill, "hobby" means an interest or activity that a person pursues, without compensation, in his or her leisure time.

House Bill 5891 amended the Boiler Act to exempt from the Act a miniature hobby locomotive operating on narrow gauge tracks less than 24 inches wide.

The bill requires the Department of Consumer and Industry Services to inspect annually a miniature hobby locomotive operating in a public display or use. ("Public display or use" means display to or use by the general public but not the owner or the owner's family.) The inspection must be conducted by a deputy inspector or special inspector, or by a miniature hobby locomotive club. The inspector must file a copy of the inspection report with the chief inspector and provide a copy to the owner. The fee for an inspection conducted by a deputy or special inspector is \$15. Upon demonstration that the miniature hobby locomotive boiler complies with the applicable rules, the Department must issue a certificate of inspection to the owner.

The Director must promulgate rules regarding the inspection, certification, and adoption by reference or establishment of inspection or certification standards for boilers used in miniature hobby

locomotives. The rules must include a procedure for approval and authorization of miniature hobby locomotive clubs to perform inspections and certify boilers used in the locomotives.

In addition, the Board of Boiler Rules must approve a miniature hobby locomotive club applying for approval to inspect and certify boilers used in the locomotives upon determining that the club complies with and applies the inspection and certification standards established in the rules. After approval and authorization by the Board, the club may inspect boilers and certify that a miniature hobby locomotive complies with the standards.

MCL 408.652 (S.B. 1167)
408.757c (H.B. 5891)

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

Since miniature hobby railroaders operate their trains as a hobby, without compensation, the licensing fees, inspection charges, and insurance required under the Carnival-Amusement Safety Act are costly. Senate Bill 1167 eliminates unnecessary and burdensome requirements by exempting hobby locomotives operating on a narrow gauge track less than 24 inches wide from the licensing and regulation requirements under the Act.

House Bill 5891 exempts miniature hobby locomotives operating on narrow gauge tracks less than 24 inches wide from the inspections and regulations of boilers under the Boiler Act. Since many miniature hobby locomotives, however, operate in a public display or use such as in exhibitions, shows, and communities, the bill will reinforce the safety standards by requiring the Department or a miniature hobby locomotive club to inspect and certify annually a miniature hobby locomotive operating in a public display or use.

Legislative Analyst: N. Nagata

FISCAL IMPACT

Senate Bill 1167

The bill will have no fiscal impact on State or local government.

House Bill 5891

The bill will allow the boiler division to collect a \$15 fee for the inspection of a miniature hobby locomotive. It is difficult to predict how much revenue will be generated by this new fee, as the number of miniature hobby locomotives operated by steam is unknown.

Fiscal Analyst: M. Tyszkiewicz

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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.