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Senate Bill 358 (Substitute S-2 as reported by the Committee of the Whole)
Sponsor: Senator Bev Hammerstrom
Committee: Human Resources and Labor

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 Single 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. Under the bill, an architect or professional engineer licensed in Michigan, or another person qualified to supervise construction, would have to supervise the construction of a school building.

The bill provides that a school building covered by bond issues that were approved by the Department of Treasury after July 1, 2002, could not be constructed, remodeled, or reconstructed in Michigan until the DCIS gave written approval of the plans and specifications, indicating that the building would be designed and constructed in conformance with the Code.

The Department 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 also would have to develop a plan for conducting no-cost, walk through safety inspections of school buildings constructed, remodeled, or reconstructed in Michigan since January 1, 1978.

The DCIS would be the enforcing agency for Public Act 306. The Department would have to delegate responsibility for administering and enforcing the Act to an applicable agency, however, if both the school board and the governing body of the local unit of government had annually certified to the DCIS that full-time registered Code officials, inspectors, and plan reviewers would conduct plan reviews and inspections of school buildings.

School building inspections would be performed either by an independent third party designated in the contract, who would be subject to the Department's approval, or (if a third party were not designated) by the DCIS or an applicable agency to which the Department delegated responsibility.

MCL 388.851 et al.

Legislative Analyst: G. Towne

FISCAL IMPACT

Department of Consumer and Industry Services. The Department's Bureau of Construction Codes could receive increased revenue as this bill provides: 1) The school could designate a third party to perform inspections but the DCIS would have the authority to review and disapprove of the third party. 2) The Bureau would have to review all reports prepared by a third party inspector. 3) The Bureau would have to do all plan reviews on school buildings

being remodeled or constructed that were not reviewed by a delegated local authority. 4) The Bureau would have to inspect all school buildings being remodeled or constructed that were not inspected by a third party contractor or a delegated local authority.

According to the Department, the existing fee schedule of 0.5% of total construction costs would be used to cover the costs associated with these regulatory responsibilities.

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 Office of Fire Safety for inspection services. Since the bill would eliminate this requirement, districts would experience savings. However, the bill would require inspections by one of three entities: 1) a qualified third party, 2) local government agencies, or 3) the Bureau of Construction Codes. It is reasonable to assume that savings from the elimination of fire safety plan reviews would be offset by costs associated with inspections from one of these entities.

An additional cost could be incurred by local school districts under this legislation if a school district used a third party (and paid fees to this third party for inspections), and further had to pay the Department for its review of the third party's reports and credentials.

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