



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 5843 (as reported without amendment)
Sponsor: Representative Philip LaJoy
House Committee: Local Government and Urban Policy
Senate Committee: Local, Urban and State Affairs

Date Completed: 10-20-04

RATIONALE

Apparently, some Michigan townships have been considering entering into contracts with other local governments to provide them with fire and police protection, but it is not clear whether such contracts are allowed under State law. Public Act 33 of 1951 allows townships, villages, and cities with a population under 15,000 to contract for police and fire protection, but it does not address whether those governmental entities are able to enter into agreements or contracts to *furnish* police and fire services to other communities. Some people believe that the law should clearly allow townships to enter into contracts to provide police and fire service to other municipalities.

CONTENT

The bill would amend Public Act 33 of 1951 to authorize a township board to enter into one or more agreements or contracts to furnish police or fire protection to a city, village, or other township.

Currently, the Act allows a township board, or the boards of adjoining townships acting jointly, to contract with the legislative body of a village that does not maintain a police or fire department to furnish police or fire protection to the village. A township board or boards also may contract with the township board or legislative body of a township, city, or village that maintains a police or fire department for the service of the department or the care, maintenance, and operation of police or fire vehicles, equipment, and apparatus. In addition, a township board, or the boards of adjoining townships acting jointly that have organized

and are maintaining a police or fire department, may contract with townships, villages, or cities that also maintain a police or fire department, or with any other person, organization, or group, to provide police or fire apparatus, equipment, or personnel, or police or fire protection.

MCL 41.806

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

The bill would provide clarity for townships that want to enter into contracts to provide police and fire service to other municipalities, that they could do so without raising concerns that such agreements are not allowed under State law. Reportedly, some townships have had the opportunity to contract out their police and fire services but have avoided doing so because of these concerns. Public Act 33 clearly states that townships, villages, and cities under 15,000 may enter into contracts for police and fire protection for themselves; however, it is unclear whether those governmental entities are permitted to contract their services out to other local governments because the issue is not specifically addressed. The bill would explicitly authorize townships to enter into these contracts.

Legislative Analyst: J.P. Finet

FISCAL IMPACT

The bill would have no effect on State revenue. The bill would increase local unit revenue by an unknown amount, depending upon the number of townships that would contract out their services and the rates charged. Depending upon the local unit, the bill also could reduce local unit expenditures if a local unit were able to contract with a township to provide services at a lower cost than the local unit otherwise would incur to provide the services.

Fiscal Analyst: David Zin

H0304\5843a

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.