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BILL ANALYSIS

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House Bill 6338 (Substitute S-3 as reported)
Sponsor: Representative Jim Howell
House Committee: Local Government and Urban Policy
Senate Committee: Commerce and Labor

CONTENT

The bill would amend Public Act 33 of 1951, which provides for police and fire protection of townships, incorporated villages, and cities under 15,000 population, to refer to "qualified cities" instead of cities with a population under 15,000. The bill is tie-barred to Senate Bill 1485, which would amend Public Act 33 to refer to and define "qualified cities".

Under the Act, the governing bodies of two or more contiguous townships, villages, or cities under 15,000 population may, acting jointly, may create a joint police administrative board, fire administrative board, or police and fire administrative board. The Act also authorizes creating special assessment districts and levying and collecting special assessments; contracting for fire and police protection; and purchasing, maintaining, and operating fire and police equipment.

(Under Senate Bill 1485 (S-2), "qualified city" would mean either 1) a city with a population of less than 15,000; or 2) a city with a population of 15,000 or more and less than 70,000, that was located in a county with a population over 200,000 and less than 235,000, if the levy of a special assessment under the Act were approved by a majority of the qualified electors in the special assessment district.)

MCL 41.811

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

Combined with Senate Bill 1485 (S-2), 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, a local unit allowed to enter into joint arrangements under the bill could save money in providing certain services, either resulting in less need for future millage rate increases or allowing millage rates to be reduced. Similarly, a local unit could experience greater revenue by levying a special assessment to pay for joint services.

While the bill does not fix the date for the population requirements, as of the 2000 Census, the only additional local unit that would qualify under the bill is the City of Saginaw. If Kalamazoo County lost enough residents, some local units in that county would also qualify. Similarly, if the population in St. Clair County continues to grow at recent rates, it is likely that sometime within the next 10 to 15 years, Port Huron could qualify under the bill.

Date Completed: 12-7-04

Fiscal Analyst: David Zin

[floor\hb6338](http://www.michiganlegislature.org/floor/hb6338)

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