

## ELIMINATE CARNIVAL-AMUSEMENT SAFETY BOARD

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House Bill 4691 (as reported without amendment)

Sponsor: Rep. Andrea LaFontaine

*(Enacted as Public Act 163 of 2014)*

Committee: Regulatory Reform

Complete to 6-12-13

### A SUMMARY OF HOUSE BILL 4691 AS REPORTED FROM COMMITTEE 5-21-13

The bill would repeal the following sections of the Carnival-Amusement Safety Act of 1966:

- Section 3 (MCL 408.653), which established the Carnival-Amusement Safety Board and set its membership. Under the act, the board consists of seven members, including the director of the Department of Licensing and Regulation (now called the Department of Licensing and Regulatory Affairs) and six members representing park operators, ride operators, retail merchants, professional engineers, and the general public.
- Section 4 (MCL 408.654), which requires the Board to conduct its business at public meetings, sets minimum meeting dates, and provides for the election of officers.
- Section 5 (MCL 408.655), which requires the Legislature to annually establish the per diem compensation of board members and the schedule for reimbursement of expenses.

In eliminating the Carnival-Amusement Safety Board, the responsibility to promulgate rules for the safe installation, repair, maintenance, use, operation, and inspection of all carnival-amusement rides would be transferred to the Department of Licensing and Regulatory Affairs.

### FISCAL IMPACT:

House Bill 4691 would have a nominal fiscal impact on the Corporations, Securities, and Commercial Licensing Bureau (CSCLB) within the Department of Licensing and Regulatory Affairs (LARA) to the extent that LARA would no longer be required to reimburse travel expenses for members of the Carnival-Amusement Safety Board (\$0 in FY 2012). LARA has not paid per diem compensation to members of the Board since the Legislature ceased annually establishing such compensation in the early 2000s.

## **POSITIONS:**

Department of Licensing and Regulatory Affairs supports the bill. (5-14-13)

Americans for Prosperity - Michigan supports the bill. (5-14-13)

## **BACKGROUND INFORMATION AND DISCUSSION:**

The Office of Regulatory Reinvention's report regarding occupational licensing, issued February 17, 2012, recommended the elimination of the Carnival Amusement Safety Board. Under statute, the Board has authority to assist LARA in promulgating rules for the safe installation, repair, maintenance, use, operation, and inspection of all the carnival-amusement rides in the state as deemed necessary to protect the general public. According to testimony, the Board is not needed in LARA's efforts to regulate the industry. LARA is required to provide assistance to the Board, including staff, which takes up valuable time and resources that could be better used in other ways. According to the ORR recommendation, the licensing and inspection fees are insufficient to cover the cost of regulation.

According to the ORR, there are 238 licensed carnival-amusement operators in the state operating a total of 968 rides. 41 of the licensed operators are mobile and travel throughout the state; 513 of the rides are mobile, also. Of the 238 licensed operators, 13 are mobile operators from out-of-state.

There was concern that the elimination of the Carnival Amusement Safety Board would diminish the safety of carnival-amusement rides in the state. However, according to testimony, operators would still be required to meet the same regulatory obligations as they currently must, and the department would still be able to carry out its inspection and enforcement responsibilities. There was also concern with the frequency that carnival-amusement rides are inspected. According to the department, rides are required to be inspected annually before they can be put into operation. [Note: Carnival-amusement rides do not have to be inspected each time they are set up for operation. According to testimony, once a ride is inspected, it does not need to be inspected again for one year, regardless of the number of times it is set up and taken down.] The department indicated that the elimination of the Carnival Amusement Safety Board will not affect its ability to conduct safety inspections as it has done in previous years.

For the full text of the ORR's recommendations regarding occupational licensing, see: [http://www.michigan.gov/documents/lara/ORR\\_Occupational\\_Licensing\\_Recommendations\\_382437\\_7.pdf](http://www.michigan.gov/documents/lara/ORR_Occupational_Licensing_Recommendations_382437_7.pdf)

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