



Senate Fiscal Agency
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House Bill 4527 (Substitute H-1 as reported without amendment)

Sponsor: Representative Thomas A. Albert

House Committee: Regulatory Reform
Rules and Competitiveness

Senate Committee: Regulatory Reform

CONTENT

The bill would amend the "Carnival-Amusement Safety Act" to do the following:

- Modify certain terms and definitions.
- Prohibit the Department of Licensing and Regulatory Affairs (LARA) from issuing a permit to an owner of a carnival or amusement ride unless he or she maintained the training records and emergency response plan specified in the bill.
- Require LARA to issue a permit to operate after inspection if the ride and its owner were found to be in compliance with the Act and had a copy of the training records and emergency response plan specified in the bill.
- Eliminate language pertaining to temporary cessation of a ride's operation and prescribe the circumstances under which the Department could suspend a permit to operate a ride.
- Prescribe the procedures for suspension or revocation of a permit to operate and penalties for operating a carnival or amusement ride while a permit was suspended or revoked.
- Require the owner of a carnival or amusement ride to maintain specified training records and an emergency response plan and specify the information an emergency response plan would have to include.
- Modify the procedure for reporting a serious injury or fatality that occurred on a carnival or amusement ride.

The bill also would repeal Section 13 of the Carnival-Amusement Safety Act, which governs the temporary cessation of operation of a carnival ride if it is determined after inspection to be unsafe.

The bill would take effect on September 30, 2022.

MCL 408.625 et al.

Legislative Analyst: Eleni Lionas

FISCAL IMPACT

The bill would have an indeterminate, likely negative, fiscal impact on State government and no fiscal impact on local units of government.

Under the bill, LARA would have to perform an increased number of administrative duties as well as in-person inspections. Although owners would have to pay a \$2,500 per diem civil fine for operating a ride without an active, valid permit, the amount collected likely would not fully offset the costs to LARA. The Department would have to fulfill some of the regulatory and legal obligations contained in the bill regardless of whether the fines were assessed and

collected. The civil fine revenue would be deposited into the General Fund and credited to LARA for regulatory duties under the Act. It is not known how much civil fine revenue would be assessed or collected.

The costs of seeking or issuing an injunction would not be fiscally significant to either LARA or State courts.

The bill specifies that a person who falsified a training record required under the Act would be guilty of a misdemeanor. More misdemeanor convictions could increase resource demands on law enforcement, court systems, community supervision, jails, and correctional facilities. For any increase in prison intakes, in the short term, the marginal cost to State government would be approximately \$5,800 per prisoner per year. Any associated increase in fine revenue would increase funding to public libraries. The revenue and expenditures pertaining to the misdemeanor language would depend on the number of violations and the number of people prosecuted for these offenses.

Date Completed: 5-19-22

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