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BILL ANALYSIS

Senate Fiscal Agency

Lansing, Michigan 48909

(517) 373-5383

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Senate Bill 936 (as passed by the Senate)
Sponsor: Senator Gilbert J. DiNello
Committee: Education and Mental Health

Date Completed: 8-7-90

RATIONALE

Public Act 306 of 1937 regulates the construction, reconstruction, and remodeling of public or private school buildings. Under the Act, all plans and specifications for buildings must be prepared by, and the construction must be supervised by a State-registered architect or engineer. Before any work is begun, the State Superintendent of Public Instruction or his or her agent must approve the plans and specifications. The approval of the State Superintendent is contingent upon the approval of the State Fire Marshal or the appropriate municipal official in cases in which a school building is located in a municipality where the school board and the governing board of the municipality have certified to the State Superintendent that fire safety inspections and measures for schools are provided for by municipal code. The Act does not apply, however, to one-story buildings, one-story additions, and projects in which the cost of construction, reconstruction, or remodeling is less than \$15,000. Some people feel that this limit is too low, considering today's cost of construction projects, and unnecessarily submits many small projects to the Act.

CONTENT

The bill would amend Public Act 306 of 1937 to increase from \$15,000 to \$50,000 the amount that subjects a construction, reconstruction, or remodeling project to the Act.

In addition to exempting projects under \$15,000, the Act exempts one-story school buildings and one-story additions to them. The Act provides, however, that regardless of the

number of stories, a building or addition exceeding \$15,000 is subject to the requirement that the plans and specifications be prepared by and construction supervised by a registered architect or engineer, and that the Superintendent of Public Instruction and the State Fire Marshal approve the plans. The bill would increase the \$15,000 limit to \$50,000.

In addition, the bill provides that if the total cost for construction, reconstruction, or remodeling of a school building were less than \$50,000, it would not be necessary to employ a registered architect or engineer. Under the Act, the cost must be less than \$15,000. As the Act currently provides, however, the plans would have to be submitted to the State Fire Marshal and the State Superintendent.

MCL 388.855a

FISCAL IMPACT

The bill would have no fiscal impact on the State. Local school districts would realize indeterminate construction savings by not having to pay architectural or engineering fees for construction costing less than \$50,000. It is not known how many buildings would be affected. There are about 3,509 public school buildings in the State.

ARGUMENTS**Supporting Argument**

Originally, Public Act 306 exempted construction, reconstruction, and remodeling projects of public and private school buildings from the Act's provisions when such projects

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cost less than \$5,000. Public Act 231 of 1949 increased that limit to \$15,000. There has been no revision in that amount in more than 40 years. Construction and remodeling costs, however, have increased. Thus, many school construction and remodeling projects, which exceed the \$15,000 limit but are not considered major projects, have been subject to the Act. The limit should be increased to reflect today's costs. School districts could benefit by not having to pay architectural or engineering fees.

Legislative Analyst: L. Arasim
Fiscal Analyst: A. Rich

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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.