



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

Senate Bills 133 and 134 (as reported without amendment)
Sponsor: Senator Tory Rocca
Committee: Finance

Date Completed: 7-7-11

RATIONALE

The Firefighters Training Council Act creates the Firefighters Training Fund for purposes of the Act, which include reimbursing local units of government for training firefighters. The law does not provide a source of revenue for the Fund, however, and evidently it has never received any appropriations (although funding to reimburse counties for firefighter training has been appropriated from the State's General Fund). To address this situation, it has been suggested that individuals should be given an opportunity to donate to the Fund when filing their income tax returns.

CONTENT

Senate Bill 133 would amend the Firefighters Training Council Act to require money from a proposed income tax check-off to be spent solely for the purpose of firefighter training. Senate Bill 134 would amend the Income Tax Act to create a check-off for contributions to the Firefighters Training Fund, beginning with the 2012 tax year.

The bills are tie-barred.

Senate Bill 133

The Firefighters Training Council Act creates the Firefighters Training Council and the Firefighters Training Fund, and allows money in the Fund to be appropriated as necessary for the purposes of the Act. From annual appropriations for the Council, the Council may request and the State Fire Marshal may approve payments to counties to reimburse organized fire departments for firefighter

training and other activities required by the Act. The Act also allows counties, cities, villages, and townships to apply to the Council for aid.

Under the bill, money credited to the Fund under Section 435 of the Income Tax Act (which provides for tax check-offs) could be spent solely for the purpose of firefighter training.

Senate Bill 134

Section 435 of the Income Tax Act allows an individual to designate on his or her annual tax return that contributions of \$5, \$10, or more of his or her State income tax refund (or additional tax liability) be credited to any of the funds specified in the Act. The Department of Treasury must create a schedule of the check-offs to be included with an annual income tax return. New check-offs must be incorporated as soon as practical on the schedule, and the Department may discontinue a check-off that fails to raise \$100,000 in a tax year for two consecutive years.

Check-offs on the schedule include the Animal Welfare Fund, the Children of Veterans Tuition Grant Program, the Children's Hospital of Michigan Fund, the Children's Miracle Network Fund, the Children's Trust Fund, the Foster Care Trust Fund, the Michigan Council for the Arts Fund, the Military Family Relief Fund, the Renewable Fuels Fund, and the United Way Fund. Beginning with the 2011 tax year, the schedule also will include a check-off for the Girl Scouts of Michigan Fund.

The bill would add to the schedule a check-off for the Firefighters Training Fund, for the 2012 tax year and each subsequent tax year.

MCL 29.373 (S.B. 133)
206.435 (S.B. 134)

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 bills would provide a source of revenue for the Firefighters Training Fund through a check-off on the Voluntary Contributions Schedule of the individual income tax return. Although the Fund exists for purposes of firefighter training, including local reimbursement, it has never received funding. In a state where approximately 75% of the fire protection is supplied by volunteer or part-time firefighters, the importance of training firefighters at the local level goes without saying. While some funding for local reimbursement has been appropriated from the General Fund, communities continue to struggle with reduced budgets due to declining property values and cuts in revenue sharing payments. This legislation could help pay for local units' firefighter training costs.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bills would have a minimal impact on the administrative costs of the Department of Treasury, with some minor additional costs to adjust forms and account for revenue from the proposed income tax check-off. According to staff from the Department of Licensing and Regulatory Affairs, the Firefighters Training Fund has never received any revenue. In FY 2009-10, \$170,000 General Fund/General Purpose revenue from the line item for the Bureau of Fire Services was used to reimburse counties for firefighter training.

Fiscal Analyst: Elizabeth Pratt
Josh Sefton

A1112\s133a.

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.