

POLICE AND FIRE PROTECTION ACT

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Senate Bill 762 as referred to second House committee

Sponsor: Sen. Ken Horn

1st House Committee: Local Government and Municipal Finance

2nd House Committee: Ways and Means

Senate Committee: Local Government

Complete to 3-3-20

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 762 would amend section 10 of the Police and Fire Protection Act to modify the population parameters for qualified cities.

The act, which allows communities to purchase police and fire motor vehicles, provide for appropriations for maintenance and operation of police and fire departments, provide that expended funds be defrayed by special assessments on properties benefitted, and take other actions, applies to townships and adjoining townships and incorporated villages and *qualified cities*.

Currently, *qualified cities* means either of the following:

- A city with a population less than 15,000.
- A city with a population between 15,000 and 70,000 that is located in a county with a population between 200,000 and 235,000, if the question of raising money by special assessment and the amount to be levied by the special assessment annually is approved by a majority of the affected voters. (The special assessment could not be increased unless approved by a majority of affected voters.)

The bill would revise the second category to apply to a city with a population between 15,000 and 70,000 that was located in a county with a population between 180,000 and 215,000.

[Note: According to U.S. Census Bureau's 2019 population estimates by county, there are no Michigan counties with a population between 200,000 and 235,000.¹ Saginaw (with an estimated population of 190,800) and Livingston (191,224) would fall within the revised parameters.]

MCL 410.810

¹ U.S. Census Bureau 2019 population estimates by county: <https://www.census.gov/search-results.html?searchType=web&cssp=SERP&q=michigan%20population%20by%20county>

BACKGROUND:

According to Senate Local Government committee testimony on February 6, 2020, a tax cap was approved by voters in Saginaw in 1979 and is in the city charter. Several attempts to remove the rate and dollar caps have failed. Under the Police and Fire Protection Act, the city is able to join with other municipalities to levy a special assessment to fund police and fire (following a 2004 act ensuring that Saginaw be considered a qualified city²).

One millage proposal on the presidential primary election ballot on March 10 would renew a levy of 7.5 mills for the city of Saginaw Police and Fire Services Special Assessment, to support 20 police officers and 10 firefighters. The current 7.5-mill levy was approved by voters in 2014 and runs from 2016 to 2020. However, at that time the population of Saginaw County is not expected to fall within the current range of a qualified city under the act; the bill would allow it to do so.

FISCAL IMPACT:

The bill would have no fiscal impact on state or local government when compared to current practice. Saginaw is the only city that qualifies pursuant to the over-15,000, under-70,000 population thresholds, and that would continue under the bill. Without the county population changes, the city of Saginaw would cease to be a “qualified city” and would not be able to levy a special assessment for police and fire protection under the act.

POSITIONS:

The following entities indicated support for the bill (2-26-20):

Department of Treasury
Saginaw Chamber of Commerce
Michigan Municipal League
City of Saginaw

Legislative Analyst: Jenny McInerney
Fiscal Analyst: Ben Gielczyk

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.

² <http://legislature.mi.gov/doc.aspx?2004-SB-1485>