

# False Final Inspection Report

Pursuant to Public Act 107 of 2017

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## **INTRODUCTION**

Public Act (PA) 268 of 2016 permits the Bureau of Fire Services (BFS) fire marshal inspectors to assess a fee for a false final inspection appointment. Specifically:

*Sec. 513. (1) Beginning October 1, for the purpose of defraying the costs associated with responding to false final inspection appointments and to discourage the practice of calling for final inspections when the project is incomplete or noncompliant with a plan of correction previously provided by the bureau of fire services, the bureau of fire services may assess a fee not to exceed \$200.00 for responding to confirmed false inspection appointments. Fees collected under this section shall be deposited into the restricted account referenced by section 2c(2) of the fire prevention code, 1941 PA 207, MCL 29.2c, and explicitly identified within the Michigan administrative information network.*

The language also requires that BFS provide a report regarding the implementation and results of the program. Specifically:

*(2) Not later than September 30, the department shall prepare a report that provides the amount of the fee assessed under subsection (1), the number of fees assessed and issued per region, the cost allocation for the work performed and reduced as a result of this section, and any recommendations for consideration by the legislature. The department shall submit this information to the state budget director, the subcommittees, and the fiscal agencies.*

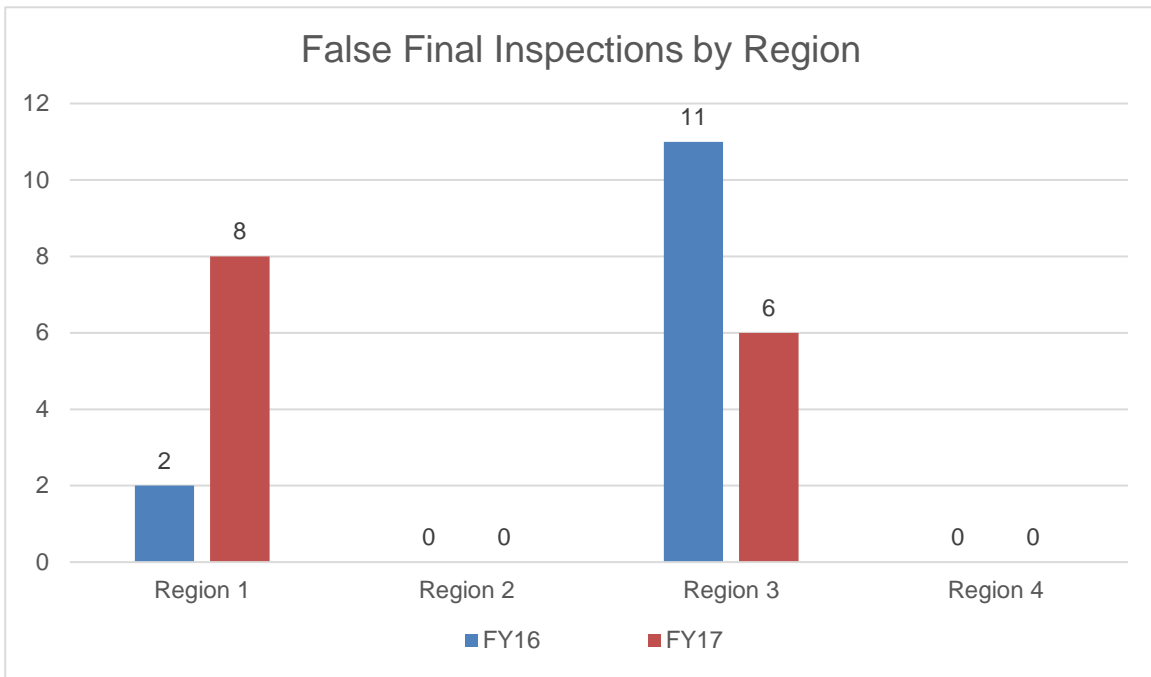
The intent of this project is to discourage the practice of customers calling for a final project inspection when the project is known to be incomplete and/or noncompliant with a plan of correction previously requested by a BFS fire marshal inspector.

This report is being submitted, pursuant to the reporting requirements noted above.

## **FEE ASSESSMENT**

BFS divides the state into four (4) regions each under a fire safety supervisor. It is the responsibility of the regional supervisor to determine whether a false final inspection fee is to be assessed based upon information provided by a regional fire marshal inspector regarding the project. The fees assessed in this report are only for those that requested the inspection with the full knowledge that the work was not complete or ready for inspection.

In FY17, a total of \$2,800.00 was assessed for responding to confirmed false final inspection appointments in fourteen (14) separate instances. In comparison, a total of \$2,600.00 was assessed for responding to thirteen (13) false final inspection appointments in FY16. The graph below illustrates the number of fees assessed and issued per region in both FY16 and FY17:



***The chart above demonstrates a comparative in the number of false final inspection fees assessed by region for FY16 and FY17***

Only Regions 1 and 3 assessed false final inspection fees for both FY16 and FY17. These regions had expressed the most concern regarding the number of false final inspection requests in prior years and have the largest concentration of project inspections to complete.

All fines assessed have been collected, including outstanding fines from the previous fiscal year. All payments were received within one (1) to six (6) weeks of the fee being assessed.

**COST ALLOCATION**

The funds collected directly offset the inspector’s time and travel. The amount of time and travel for each inspection varies throughout the state. The two regions that had false final inspections have shorter travel distances compared to the other two regions. The hourly rate of a mid-level BFS inspector is approximately \$50.00, which includes wages and fringe benefits. As such, the \$200.00 fee would cover the costs of an inspector travelling one-half hour each way to conduct the inspection, including the vehicle mileage cost at the FY17 rate of \$0.36/mile, and an average inspection appointment of 2 hours duration. Some inspections may involve more or less travel or inspection time, but overall the above numbers would represent an average for inspections.

## **OUR FINDINGS**

- Overall, the affected regions reported enhanced communication with construction representatives regarding the actual status of the projects.
- BFS required that any false final inspection fee be paid prior to returning to the project location to complete the originally requested inspection. The potential delay reinforced the contractor's understanding that the project must be ready for inspection at the requested date and time.
- The fee amount did not raise significant objections.
- BFS will continue to gain additional data for a year-to-year trend comparison with numbers to verify the number of false final inspection requests received at the conclusion of each fiscal year. If there is an increase in false final inspection requests, the BFS would incur additional costs to complete the inspections.

## ATTACHMENT A

### False Final Inspection Fees

Total Outstanding Fines for FY16	\$0
Total Fines Assessed for FY17	\$2,800.00
Total Fines Collected for FY17	\$3,000.00
Total Fines Refunded for FY 17	\$200.00
Total Outstanding Fines as of FY17 End	\$0