



Romney Building, 10th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

TOWNSHIP SPECIAL ASSESSMENTS FOR GYPSY MOTH SUPPRESSION

House Bill 5752 with committee amendment First Analysis (5-12-98)

Sponsor: Rep. Kirk Profit
Committee: Agriculture

THE APPARENT PROBLEM:

The township public improvement act (Public Act 188 of 1954) is the primary enabling statute under which townships have authority to make public improvements as listed in the act and to pay for them by borrowing money and issuing bonds in anticipation of collecting special assessments against the property especially benefited by the improvement. Currently the public improvements listed in the act include constructing, improving, and maintaining storm or sanitary sewers, water systems, public roads, pedestrian overpasses, bicycle paths, sidewalks, private roads, bodies of water (lakes, ponds, rivers, streams, and lagoons, including dredging), recreational dams, and dikes; acquiring, improving, and maintaining public parks; garbage or rubbish collection and disposal; installing, improving, and maintaining lighting systems; planting, maintaining, and removing trees; and eradicating or controlling aquatic weeds and plants. The township board may carry out an improvement under the act unless written objections are filed with the board by property owners whose land constitutes more than twenty percent of the total land area in the proposed special assessment district or whose land constitutes more than twenty percent of the total frontage in cases where the proposed improvement is a road, bicycle path, or sidewalk. If written objections are filed, the township board cannot proceed with the proposed public improvement until a petition signed by more than 50 percent of the landowners is filed with the board.

The Department of Agriculture currently administers a gypsy moth suppression program that counties can participate in and under which counties can be reimbursed with federal funds for up to 50 percent of their costs. Reportedly, nine counties participated in the program last year and received \$358,000 in reimbursement for costs. However, some townships in counties not participating in the state and federal program have experienced problems with gypsy moth infestations, and have no statutory authority to establish special assessment districts to pay for such

programs under their enabling act, Public Act 188 of 1954. The Michigan Townships Association has encouraged introduction of legislation to add gypsy moth suppression to the list of public improvements allowed under the act.

THE CONTENT OF THE BILL:

The bill would amend the township public improvement act (Public Act 188 of 1954) to add the suppression or control of gypsy moths to the list of improvements allowed to be financed under the act.

MCL 41.722 and 41.723

BACKGROUND INFORMATION:

House Bill 5579 of 1997, which was referred to the House Tax Policy Committee, is identical to the bill as introduced.

FISCAL IMPLICATIONS:

According to the House Fiscal Agency, the bill would have no fiscal impact on the state, but could result in additional local revenues from the levy of special assessments under the bill. (5-7-98)

ARGUMENTS:

For:

By creating special assessment districts, a township can provide a service or a public improvement to a limited number of property owners within the township and only assess those who benefit from the service or improvement. Although there is a state and federal gypsy moth suppression program that counties can participate in, and receive federal reimbursement for up to half of their costs, most counties don't participate in the program (reportedly nine of the state's 83 counties participated last year and 19 plan to do so this

House Bill 5752 (5-12-98)

year). So if a township in a nonparticipating county has a serious gypsy moth problem, what it currently must do is either spray the gypsy moths and hope that the property owners who are billed for the costs of the spraying will voluntarily pay, or else do nothing. Since gypsy moths are only a problem where certain kinds of trees grow (for example, deciduous rather than evergreens) -- and are not a problem for agricultural crops -- the bill would allow townships to target specific problem areas within their boundaries in a timely and effective manner. As is the case with other special assessments, only those people whose property would benefit from suppression programs would be assessed for the costs of the programs, which is the fair and equitable way to go.

Against:

Some people argue that bonding is the wrong way to go, particularly for projects other than capital improvements. Bonding should not be used for ongoing operations. Others believe that since gypsy moths have become a statewide problem, the state should pay for gypsy moth suppression, and not townships, particularly through bonding.

Response:

The act already allows -- and the bill would allow -- bonding, but would not require it. According to testimony before the House Agriculture Committee, townships probably would pay for gypsy moth suppression programs through establishing special assessment districts and collecting special assessment fees to pay for the costs of these programs. In addition, however, it should be pointed out that the act already allows townships to bond not only for the construction, acquisition, or installation and improvement of certain public improvements, but also for their maintenance, which presumably involves ongoing operations. The act also specifically allows townships to bond for the eradication or control of aquatic weeds and plants, which also would sometimes involve ongoing operations.

Against:

Some people suggest that the bill might require that proof of the need for a gypsy moth suppression program be required before allowing the townships to establish special assessment districts for conducting such programs. Currently, the federal program requires a certain density of gypsy moth egg masses before a county is eligible for reimbursement, which is determined by egg counts. Although some townships implementing gypsy moth suppression programs reportedly already are following a similar methodology, it has been suggested that the bill require townships to have a methodology for determining the need for a gypsy moth suppression program similar to

that currently in place for counties participating in the federal program.

POSITIONS:

The Michigan Township Association supports the bill. (5-7-98)

Caledonia Township (in Kent County) supports the bill. (5-7-98)

Analyst: S. Ekstrom

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