

HOUSE BILL No. 4688

April 24, 1997, Introduced by Reps. Jaye, Llewellyn, Rhead, Goschka, Whyman, Gernaat, Dobb and Kukuk and referred to the Committee on Tax Policy.

A bill to amend 1956 PA 40, entitled
"The drain code of 1956,"
by amending sections 626, 628, and 629 (MCL 280.626, 280.628, and 280.629).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 626. (1) When 2 or more public corporations other than
2 the state or a county or counties are to be assessed, the drain-
3 age board, or if appropriate in chapter 21 proceedings, the drain
4 commissioner, may determine that costs to be assessed to the
5 public corporations, in excess of those apportioned for drainage
6 to state or county highways, shall not be apportioned by the
7 establishment of a fixed percentage of costs to be borne by each
8 public corporation, but that the costs shall be assessed at large
9 to all of the public corporations in the aggregate, ~~and~~
10 ~~apportioned annually between the public corporations on the basis~~

1 ~~of the relative valuations, as equalized, of each within the area~~
2 ~~served by the drain,~~ if the drainage board or drain commissioner
3 ~~shall determine~~ DETERMINES that this method of apportionment
4 will more fairly result in the costs of the drain being appor-
5 tioned in accordance with the benefits to be derived.
6 ~~therefrom.~~ COSTS ASSESSED UNDER THIS SECTION BEFORE JANUARY 1,
7 1997 SHALL BE APPORTIONED ANNUALLY BETWEEN THE PUBLIC CORPORA-
8 TIONS ON THE BASIS OF THE RELATIVE VALUATIONS, AS EQUALIZED, OF
9 EACH PUBLIC CORPORATION WITHIN THE AREA SERVED BY THE DRAIN.
10 COSTS ASSESSED UNDER THIS SECTION AFTER DECEMBER 31, 1996 SHALL
11 BE APPORTIONED ANNUALLY BETWEEN THE PUBLIC CORPORATIONS ON THE
12 BASIS OF THE TAXABLE VALUE OF EACH WITHIN THE AREA SERVED BY THE
13 DRAIN. Notice of tentative apportionment ~~in the foregoing~~
14 ~~manner~~ UNDER THIS SECTION shall include a calculation of the
15 apportionment of costs between public corporations assessed in
16 the aggregate based on the latest available valuations. AS USED
17 IN THIS SECTION, SECTION 628, AND SECTION 629, "TAXABLE VALUE"
18 MEANS THAT VALUE DETERMINED UNDER SECTION 27A OF THE GENERAL
19 PROPERTY TAX ACT, 1893 PA 206, MCL 211.27A.

20 Sec. 628. On or before June 1 of each year, or, if neces-
21 sary in connection with notification of the due date of the ini-
22 tial installment only at any appropriate time, the ~~chairman~~
23 CHAIRPERSON of the drainage board shall notify each public corpo-
24 ration to which costs are apportioned as provided in this chapter
25 of the installment of assessment and interest ~~thereon~~ coming
26 due before the next June 1. On or before the due date of an
27 installment, each public corporation shall pay to the county

1 treasurer the full amount, together with interest accruing to the
2 due date. Failure to notify a public corporation shall not
3 excuse it from making payment of the installment and interest.
4 In determining the amounts due from public corporations assessed
5 in the aggregate BEFORE JANUARY 1, 1997, the ~~chairman~~
6 CHAIRPERSON shall calculate the total state equalized valuation
7 of each PUBLIC CORPORATION within the area served by the drain
8 and shall assign to each public corporation as its annual
9 installment the same percentage of the total aggregate install-
10 ment next falling due as the state equalized valuation of the
11 public corporation within the area served by the drain bears to
12 the total state equalized valuation within the area served by the
13 drain. In making those calculations, the ~~chairman~~ CHAIRPERSON
14 shall use the state equalized valuation for the latest year in
15 which the valuations are finalized for the public corporations so
16 assessed, even though the valuations may no longer be current.
17 IN DETERMINING THE AMOUNTS DUE FROM PUBLIC CORPORATIONS ASSESSED
18 IN THE AGGREGATE AFTER DECEMBER 31, 1996, THE CHAIRPERSON SHALL
19 CALCULATE THE TOTAL TAXABLE VALUE OF EACH WITHIN THE AREA SERVED
20 BY THE DRAIN AND SHALL ASSIGN TO EACH PUBLIC CORPORATION AS ITS
21 ANNUAL INSTALLMENT THE SAME PERCENTAGE OF THE TOTAL AGGREGATE
22 INSTALLMENT NEXT FALLING DUE AS THE TAXABLE VALUE OF THE PUBLIC
23 CORPORATION WITHIN THE AREA SERVED BY THE DRAIN BEARS TO THE
24 TOTAL TAXABLE VALUE WITHIN THE AREA SERVED BY THE DRAIN. IN
25 MAKING THOSE CALCULATIONS, THE CHAIRPERSON SHALL USE THE TAXABLE
26 VALUE FOR THE LATEST YEAR IN WHICH THE VALUATIONS ARE FINALIZED
27 FOR THE PUBLIC CORPORATIONS SO ASSESSED, EVEN THOUGH THE

1 VALUATIONS MAY NO LONGER BE CURRENT. If noncurrent valuations are
2 used, the drainage board may determine to adjust later payments
3 when valuations are finalized if the board in its sole discretion
4 ~~shall determine~~ DETERMINES THAT the adjustment ~~to be~~ IS nec-
5 essary to properly apportion costs between public corporations
6 ~~so~~ assessed.

7 Sec. 629. In calculating amounts of assessments chargeable
8 against debt limitations of public corporations assessed under
9 this chapter BEFORE JANUARY 1, 1997, each public corporation
10 shall be charged with the same percentage of the total aggregate
11 at large assessment as the state equalized valuation of the
12 public corporation within the area served by the drain bears to
13 the total state equalized valuation within the area served by the
14 drain. The state equalized valuations used in those calculations
15 shall be those used in the latest notification of installment
16 sent by the ~~chairman~~ CHAIRPERSON pursuant to section 628, and
17 ~~prior thereto~~ shall be the latest STATE EQUALIZED valuations
18 available. IN CALCULATING AMOUNTS OF ASSESSMENTS CHARGEABLE
19 AGAINST DEBT LIMITATIONS OF PUBLIC CORPORATIONS ASSESSED UNDER
20 THIS CHAPTER AFTER DECEMBER 31, 1996, EACH PUBLIC CORPORATION
21 SHALL BE CHARGED WITH THE SAME PERCENTAGE OF THE TOTAL AGGREGATE
22 AT LARGE ASSESSMENT AS THE TAXABLE VALUE OF THE PUBLIC CORPORA-
23 TION WITHIN THE AREA SERVED BY THE DRAIN BEARS TO THE TOTAL TAX-
24 ABLE VALUE WITHIN THE AREA SERVED BY THE DRAIN. THE TAXABLE
25 VALUES USED IN THOSE CALCULATIONS SHALL BE THOSE USED IN THE
26 LATEST NOTIFICATION OF INSTALLMENT SENT BY THE CHAIRPERSON

1 PURSUANT TO SECTION 628, AND SHALL BE THE LATEST TAXABLE VALUES
2 AVAILABLE.