

Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 3 (Substitute S-7 as reported by the Committee of the Whole)
Sponsor: Senator Shirley Johnson
Committee: Natural Resources and Environmental Affairs

CONTENT

The bill would amend Public Act 179 of 1947, the garbage disposal and dog pound authority law, to do the following:

- Require a "qualified authority" to dissolve if the legislative bodies of a majority of the members each adopted a resolution stating that the authority was no longer effectively serving the purposes for which it was created and directing that it be dissolved.
- Allow a member of a qualified authority to withdraw from it if the member's legislative body adopted a resolution stating that the authority was no longer effectively serving the public purposes for which it was created.
- Provide that if a qualified authority were selling real property located within the territory of a member, the member would have the right of first refusal.
- Provide that, after the bill's effective date, a qualified authority could not enter into a contract for the collection or disposal of garbage with a termination date after the termination date of the authority's most recently approved contract with a member.

The term "member" would mean a municipality that incorporated or became part of a qualified authority under the Act and whose participation in the authority had not been terminated by an act of the Legislature. "Qualified authority" would mean an authority that had at least 10 members and a population residing within its territory of 250,000 or more.

Proposed MCL 123.311

Legislative Analyst: N. Nagata

FISCAL IMPACT

The bill would have no fiscal impact on the State.

The potential fiscal impact on local units of government is unknown. The bill could result in reduced expenditures in those local units participating in the affected joint authorities, assuming the activities were no longer needed or could be handled in a more cost-effective alternative manner. The bill also could result in increased local expenditures if the dissolution resulted in the loss of an economy of scale in operations, or caused one or more local units to bear a greater burden of the combined expense of operating the authority and its facilities. Both circumstances also could occur, which would increase expenditures in some local units while lowering them in others. The timing of certain revenues or expenses could be altered given the bill's processes for withdrawing from the authority and distributing its assets.

The number of local units participating in such joint authorities is unknown, as is the amount currently spent maintaining such authorities. Similarly, the number of authorities that would be dissolved under the bill, or the reasons for such dissolution, is unknown.

Date Completed: 6-26-01

Fiscal Analyst: D. Zin