

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

**SFA****BILL ANALYSIS**

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

House Bill 5807 (as discharged)  
Sponsor: Representative Scott Shackleton  
House Committee: Local Government and Urban Policy  
Senate Committee: Local, Urban and State Affairs

### **CONTENT**

The bill would amend the State Survey and Remonumentation Act to allow a county or two or more counties to issue bonds in order to expedite their county monumentation and remonumentation plan. A county could issue the bonds by resolution of the county board of commissioners, without a vote of its electors, upon the establishment of a county monumentation and remonumentation plan and its approval by the Department of Consumer and Industry Services (DCIS).

Under the Act, if a county or two or more counties elect to spend or borrow funds in order to expedite their county plan, the DCIS must enter into a contract to provide that the costs of expediting the plan are reimbursed or paid from the State Survey and Remonumentation Fund. Under the bill, the contract also would have to provide for the payment of the principal of and interest on bonds issued to expedite a plan, and the bonds would be payable primarily from the money received or to be received under the contract. The bonds could be secured by a limited tax full faith and credit pledge of the county or counties. The issuance of bonds would be subject to the Revised Municipal Finance Act.

(Under the Revised Judicature Act, a county register of deeds is required to collect a \$2 fee for recording any instrument. A county may keep 1.5% of each fee for administrative costs and the balance is dedicated to the Survey and Remonumentation Fund. Under the State Survey and Remonumentation Act, at least 40% of the amount collected in a county from the recording fee must be granted or paid to the county to implement or expedite its remonumentation plan.)

MCL 54.268 & 54.272

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The bill would have a minimal impact on local unit revenues and no impact on State revenues. Approximately 165,200 "corners" must be "remonumented" under current law. It is unknown how many have been completed since the State Survey and Remonumentation Act was adopted in 1990. The Act essentially allotted 20 years (ending between 2012 and 2013) to complete the task, at what was then an unknown cost to be covered by approximately \$124.0 million in revenues. At current prices, the entire task would require approximately \$140.4 million. Assuming that the inflation over the last 10 years of remonumentation efforts remains at the same rate through 2012 and that the \$124.0 million would have been enough to complete the process had prices stayed constant, nearly \$70.2 million in current dollars (or \$80.0 million in 2012 dollars) of work remains to be done. These figures imply that between \$8.2 million and \$17.5 million would need to be bonded to complete remonumentation by 2013, given the revenue history of the fees used to pay these costs.

The bill would affect only those local units that chose to bond in order to cover

remonumentation expenses. Local units receiving a sufficient level of revenue to complete the task by 2013 presumably would not issue bonds, although they could do so to accelerate the process. Any local unit that chose to issue bonds would incur increased interest expenses, which most likely would be paid from the fees currently assessed to cover remonumentation costs. As a result, the bill effectively would allow local units to use fees collected after the completion deadline to fund remonumentation efforts made prior to the deadline. It is unknown how many local units would pursue the bonding option.

Date Completed: 6-5-02

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.