



**House
Legislative
Analysis
Section**

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**COUNTY ROAD COMMISSION
INSTALLMENT CONTRACTS**

House Bill 4708

Sponsor: Rep. David Robertson

Committee: Transportation

Complete to 5-23-03

A SUMMARY OF HOUSE BILL 4708 AS INTRODUCED 5-20-03

House Bill 4708 would amend Public Act 283 of 1909, the County Road Law, to allow county road commissions to enter into installment contracts.

Under the bill, the members of a county road commission could enter into a contract or agreement for the purchase of real or personal property for a public purpose, and make payments in installments over a period of not more than 15 years. Further, bill would allow real and personal property purchased under the act to serve as collateral in support of the purchase, contract, or agreement. However, the bill specifies that the outstanding balance of all purchases under the act could not exceed one and one-quarter percent of the value of the road commission's capital assets and infrastructure, as determined by a capitalized asset inventory.

In addition, the members of the county road commission could enter into a contract or agreement for the purchase of machines, tools, appliances, and materials to be used for public purposes, and make payments in installments over a period of not more than eight years, or the useful life of the property, whichever was less. Currently under the law, a road commission can enter into installment agreements for these purchases; however, the installments must be made over a period of not more than five years or the useful life of the property, whichever is less.

MCL 224.10

House Bill 4708 (5-23-03)

Analyst: J. Hunault

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