



Senate Fiscal Agency
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**BILL ANALYSIS**

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Senate Bill 1383 (Substitute S-1 as reported)
Sponsor: Senator Jud Gilbert, II
Committee: Transportation

CONTENT

The bill would amend Public Act 283 of 1909 (which governs public highways and private roads) to delete a limit on the outstanding balance of purchases by a county road commission; and increase the amount of money a county road commission may spend without advertising for sealed proposals.

Under the Act, a county road commission may enter into a contract or agreement for the purchase of real or personal property for public purposes, to be paid for in installments over either a maximum period of 15 years or the useful life of the property, whichever is less. Real or personal property purchased under the Act may serve as collateral in support of the purchase, contract, or agreement. The outstanding balance of all purchases under the Act may not exceed 1.25% of the value of the road commission's capital assets and infrastructure as determined by a capitalized asset inventory. The bill would delete that limit.

The Act also allows a board of county road commissioners to purchase machines, tools, appliances, and materials it considers necessary and convenient for the performance of work. In cases involving the expenditure of more than \$10,000, the board must advertise for sealed proposals. Under emergency conditions, this requirement applies to purchases of \$20,000 or more. The bill would increase from \$10,000 to \$20,000 the amount at which the board must advertise for sealed proposals, and increase the limit under emergency conditions from \$20,000 to \$50,000.

MCL 224.10

Legislative Analyst: Julie Koval

FISCAL IMPACT

The bill would have no fiscal impact on the State. By removing a limit on the outstanding balance of purchases by a county road commission, the bill would increase the amount of purchases that a county road commission may make using an installment method (i.e., debt). The removal of this limit could result in additional debt issuance by county road commissions.

Date Completed: 9-30-04

Fiscal Analyst: Craig Thiel

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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.