

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1266

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending sections 30903 and 30927 (MCL 324.30903 and
324.30927), as added by 1995 PA 59, and by adding section 30929.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 30903. (1) The lake board shall consist of all of the
2 following:

3 (a) A member of the county board of commissioners appointed
4 by the chairperson of the county board of commissioners of each
5 county affected by the lake improvement project; ~~—a~~
6 ~~representative of each local unit of government appointed by the~~
7 ~~legislative body~~ **1 representative** of each local unit of
8 government, other than a county, affected by the project, **or, if**
9 **there is only 1 such local unit of government, 2 representatives**
10 **of that local unit of government, appointed by the legislative**

1 **body of the local unit of government; and** the county drain
 2 commissioner **or his or her designee**, or a member of the county
 3 road commission in counties not having a drain commissioner. →
 4 ~~and a representative of the department.~~

5 (b) A member elected by the members of the lake board serving
 6 pursuant to subdivision (a) at the first meeting of the board or
 7 at any time a vacancy exists under this subdivision. Only a
 8 person who has an interest in a land contract or a record
 9 interest in the title to a piece or parcel of land that abuts the
 10 lake to be improved is eligible to be elected and to serve under
 11 this subdivision. An organization composed of and representing
 12 the majority of lakefront property owners on the affected lake
 13 may submit up to 3 names to the board, from which the board shall
 14 make its selection. The terms served by this member shall be 4
 15 years in length.

16 (2) The lake board shall elect a chairperson, **treasurer**, and
 17 ~~a~~ secretary. **The secretary shall attend meetings of the lake**
 18 **board and shall keep a record of the proceedings and perform**
 19 **other duties delegated by the lake board.** A majority of the
 20 members of the lake board constitutes a quorum. The concurrence
 21 of a majority in any matter within the duties of the board ~~shall~~
 22 ~~be~~ **is** required for the determination of a matter.

23 (3) The department, upon request of the lake board, shall
 24 provide whatever technical data it has available and make
 25 recommendations in the interests of conservation.

26 Sec. 30927. (1) Within 10 days after the letting of
 27 contracts or, in case of an appeal, ~~then~~ immediately after the

1 appeal has been decided, the lake board shall make a computation
2 of the entire cost of a project under this part that includes all
3 preliminary costs and engineering and inspection costs incurred
4 and all of the following:

5 (a) The fees and expenses of special commissioners.

6 ~~(b) The compensation to be paid the board.~~

7 (b) ~~—(e)—~~ The contracts for dredging or other work to be done
8 on the project.

9 (c) ~~—(d)—~~ The estimated cost of an appeal if the
10 apportionment made by the lake board is not sustained.

11 (d) ~~—(e)—~~ The estimated cost of inspection.

12 (e) ~~—(f)—~~ The cost of publishing all notices required.

13 (f) ~~—(g)—~~ All costs of the circuit court.

14 (g) ~~—(h) Attorney fees for legal services in connection with~~
15 ~~the project.~~ Any legal expenses incurred in connection with the
16 project, including litigation expenses, the costs of any
17 judgments or orders entered against the lake board or special
18 assessment district, and attorney fees.

19 (h) Fees for any permits required in connection with the
20 project.

21 (i) Interest on bonds for the first year, if bonds are to be
22 issued.

23 (j) Any other costs necessary for the administration of lake
24 board proceedings, including, but not limited to, compensation of
25 the members of the lake board, record compilation and retention,
26 and state, county, or local government professional staff
27 services.

1 (2) In addition to the amounts computed under subsection (1),
2 the lake board may add not less than 10% or more than 15% of the
3 gross sum to cover contingent expenses, including additional
4 necessary hydrological studies by the department. ~~—, and the~~
5 ~~entire sum so ascertained shall be~~ **The sum of the amounts**
6 **computed under subsection (1) plus the amount added under this**
7 **subsection is** considered to be the cost of the lake improvement
8 project.

9 (3) A lake board shall not expend money for improvements,
10 services, or other purposes unless the lake board has adopted an
11 annual budget.

12 (4) A lake board may retain an attorney to advise the lake
13 board in the proper performance of its duties. The attorney
14 shall represent the lake board in actions brought by or against
15 the lake board.

16 Sec. 30929. A lake board for a public inland lake is
17 dissolved if all of the following requirements are met:

18 (a) The governing body of each local unit of government in
19 which all or part of the lake is located holds a public hearing
20 on the proposed dissolution, determines that the lake board is no
21 longer necessary for the improvement of the lake because the
22 reasons for the establishment of the lake board no longer exist,
23 and approves the dissolution of the lake board. The governing
24 body of each local unit of government in which all or part of the
25 lake is located may hold the public hearing on the dissolution of
26 the lake board on its own initiative. The governing body of each
27 local unit of government in which all or part of the lake is

1 located shall hold a public hearing on the dissolution of the
2 lake board upon petition of 2/3 of the freeholders owning land
3 abutting the lake. Notice of the public hearing shall be
4 published twice in a newspaper of general circulation in each
5 local unit of government in which all or part of the lake is
6 located. The first notice shall be published not less than 10
7 days before the date of the hearing.

8 (b) All outstanding indebtedness and expenses of the lake
9 board are paid in full.

10 (c) Any excess funds of the lake board are refunded based on
11 the last approved special assessment roll. However, if the
12 amount of excess funds is de minimis, the excess funds shall be
13 distributed to the local units of government in which all or part
14 of the lake is located, apportioned based on the amounts assessed
15 against each local unit of government and lands in that local
16 unit on the last approved special assessment roll.

17 (d) The lake board determines that it is no longer necessary
18 for the improvement of the lake, because the reasons for its
19 establishment no longer exist, and adopts an order approving its
20 dissolution.

21 Enacting section 1. This amendatory act takes effect March
22 1, 2005.