



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



BILL ANALYSIS

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

House Bill 5630 (Substitute S-1)

Sponsor: Representative Joel Sheltroun

House Committee: Tourism, Outdoor Recreation and Natural Resources

Senate Committee: Natural Resources and Environmental Affairs

Date Completed: 4-22-08

CONTENT

The bill would amend Part 309 (Inland Lake Improvements) of the Natural Resources and Environmental Protection Act to extend procedures for the dissolution of a public lake board to a private lake board; and require a hearing on the dissolution of a lake board upon petition by property owners responsible for the payment of the last lake assessment or, if no assessment district had been established or no assessment apportionment had been determined, by owners of land abutting the lake.

Currently, a lake board for a public inland lake is dissolved if all of the following requirements are met:

- The governing body of each local unit of government in which all or part of the lake is located holds a public hearing on the proposed dissolution, determines that the lake board is no longer necessary for the improvement of the lake because the reasons for its establishment no longer exist, and approves the dissolution of the lake board.
- All outstanding indebtedness and expenses of the lake board are paid in full.
- Any excess funds of the lake board are refunded based on the last approved special assessment roll, unless the excess amount is de minimis, in which case the funds must be distributed to the local units of government in which all or a part of the lake is located, apportioned based on the amounts assessed against each local unit and land in that local unit on the last approved special assessment roll.
- The lake board determines that it is no longer necessary for the improvement of the lake, because the reasons for its establishment no longer exist, and adopts an order approving its dissolution.

Under the bill, the requirements also would apply to a board for a private inland lake.

With regard to the first requirement, the governing body of each local unit may hold the public hearing on its own initiative. Under the bill, this provision would apply in the case of a public lake.

Currently, the governing body of each local unit in which all or part of the lake is located must hold a public hearing on the dissolution of the board upon petition of two-thirds of the freeholders owning land abutting the lake. Under the bill, this requirement would apply only if a special assessment district had not been established or an assessment apportionment had not been determined. If either of those cases, the hearing would have to be held upon

petition of the property owners who were responsible for the payment of at least two-thirds of the last lake assessment. These provisions would apply in the case of a public or a private lake.

The bill would retain a requirement that notice of the hearing be published twice in a newspaper of general circulation in each local unit, the first notice at least 10 days before the hearing.

MCL 324.30929

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: David Zin