

Legislative Analysis



ALLOW COUNTY TO LOAN FUNDS TO TOWNSHIP FOR ROAD PROJECT

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Senate Bill 729 (passed by the Senate as S-1)
Sponsor: Rep. Wayne Schmidt
Committee: Local Government
Complete to 3-14-16

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 729 would amend Public Act 156 of 1851, which provides a list of the powers which may be exercised by a county board of commissioners, to allow a county to loan funds to a township for road construction.

Current law lists 21 powers granted to a county board of commissioners, which include such things as purchasing or leasing property to use for a courthouse or jail, setting the salaries for county employees, and passing ordinances.

Senate Bill 729 would add the following:

Loan funds to a township within the county for the purpose of funding a road construction project or providing matching funds for a joint project between the county and the township. A loan granted under this subsection shall not exceed a term of 10 years.

As written, this bill is identical to the S-2 substitute for House Bill 5261, which was reported from the Local Government Committee from this committee on 2-17-16. The H-2 substitute of HB 5261 and the S-1 substitute of SB 729 both remove the initial 90-day enacting language; thus, the bills could take effect immediately upon enactment.

MCL 46.11.

BACKGROUND:

This bill is understood to address the needs of Norwood Township. According to the township supervisor, based on an inventory carried out with the Charlevoix County Road Commission, Norwood Township needs an estimated \$400,000 to get its roads back into acceptable condition. With approximately \$150,000 currently in its road fund and a 10-year one-mill levy approved last year, Norwood Township would have enough money to fix all of its roads by the end of the 10-year millage; however, it seeks to borrow against the millage and bid out all of its road work at one time, as soon as possible. This will prevent further deterioration of the roads over time that would only make repairs more expensive.

FISCAL IMPACT:

The bill does not appear to have a direct fiscal impact. It is permissive in that it authorizes, but does not mandate, a county board of commissioners to loan money to a township for a road construction project or to provide matching funds for a joint project between the county and a township.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.