

REVOLVING FUNDS FOR DRAINS

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House Bill 5278 as introduced
Sponsor: Rep. Ben Glardon
Committee: Local Government
Complete to 2-17-16

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

SUMMARY:

House Bill 5278 would amend Chapter 12 of the Drain Code of 1956, which deals with revolving funds for drains.

Section 306 of the Code applies to a drain commissioner when overseeing a county drainage district. Currently, when revolving fund money has been spent or is owed on engineering, legal, and administrative services, and no improvement has been completed within a period of five years from the order designating the district or entry of the first order of determination, the drain commissioner must report that to the county commissioners, and then the sum can be spread against the designated district or, if a small enough sum, against the property of the original petitioners. House Bill 5278 would add *payment of principal and interest on notes* to the expenditures the section applies to. It also would include, in addition to the order designating the district or entry of the first order of determination *"or the filing of a petition, if a petition has been filed, whichever is later."*

Under the bill, as is the case now, if a sum is spread against the property of the original petitioners, it must be spread as the commissioners consider just and equitable. However the bill would eliminate language stating, *"based on the same benefit theory as if the improvement had been completed."*

Section 307 applies to a drainage board when overseeing an intercounty drainage district. Currently, whenever revolving fund moneys have been expended and no improvement has been completed for a period of five years after the order designating an intercounty drainage district, the drainage board is to apportion the cost between counties. House Bill 5278 would rewrite this provision to say that if money has been expended or a drainage district is obligated to pay *expenses for engineering, legal, or administrative services, or to pay principal and interest on notes*, and if an improvement has not been completed within five years after the order designating a drainage district *or the filing of a petition, whichever is later*, then the drainage board would apportion the costs between the counties.

Additionally, as in current law, if a drain commissioner of one of the counties disagrees with the apportionment of costs among counties within an intercounty drainage district, an arbitration board composed of drain commissioners from unaffected counties in the state will review the apportionment and issue a final decision.

FISCAL IMPACT:

A fiscal analysis is in process.

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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.