

Legislative Analysis



30-YEAR COUNTY ROAD COMMISSION INSTALLMENT CONTRACTS

Phone: (517) 373-8080
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House Bill 5764 as reported from committee
Sponsor: Rep. Scott Dianda
Committee: Transportation and Infrastructure
Complete to 12-11-18

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

SUMMARY:

House Bill 5764 would amend Public Act 283 of 1909, the county road law, to allow a county road commission to enter into a contract or agreement for the purchase of real or personal property for public purposes, to be paid for in installments over a period of up to 30 years or the useful life of the property acquired, whichever is less.

Current law prescribes a maximum period of 15 years for such an installment contract.

MCL 224.10

FISCAL IMPACT:

Under current provisions of the County Road Law (MCL 224.10), county road commissions are authorized to enter into a contract or agreement for the purchase of real or personal property for public purposes, to be paid for in installments over a period of up to 15 years, or the useful life of the property acquired, whichever is less. These provisions were added by Public Act 137 of 2003.¹

House Bill 5764 would extend the allowable installment payment period to up to 30 years. The bill would retain the restricting phrase “or the useful life of the property acquired, whichever is less.”

The bill has no fiscal impact on state government. In expanding authorized methods of financing, the bill could have a marginal fiscal impact on county road commissions.

POSITION:

The Department of Transportation indicated a neutral position on the bill. (12-11-18)

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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.

¹ <http://legislature.mi.gov/doc.aspx?2003-HB-4708>