

Legislative Analysis



SHARING COSTS FOR IMPROVEMENTS BORDERING PRIVATE ROADS

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House Bill 4030 (H-3) as referred to second committee

Sponsor: Rep. Sue Allor

1st Committee: Local Government and Municipal Finance

2nd Committee: Ways and Means

Complete to 2-24-20

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

SUMMARY:

House Bill 4030 would amend the Maintenance of Private Roads Act. Currently, if at least 51% of property owners owning frontage along a private road petition for improvement or maintenance, the township board can create a special assessment district and the cost of maintenance or improvement is shared by owners in the district on a pro rata frontage basis (in other words, proportionately based on the amount of land bordering the road).

The bill would retain that cost sharing option and add the alternative that the cost allocation be spread against each owner equally in the special assessment district to be benefited.

Then, as under current law, the maintenance or improvement and cost assessment could not be completed until the special assessment board had been created and each property had been assessed with proper notice of public hearings.

MCL 247.392

BRIEF DISCUSSION:

According to committee testimony, the bill was initiated when the members of the Fitzgerald Lane Homeowners Road Association in Alpena sought to pave their road with asphalt. Reportedly, homeowners agreed to divide the cost of the paving so that each property would pay in equal measure, but then found out that existing statute required that they divide the cost on a pro rata basis. Those supporting the bill argued that homeowners who have the most frontage—and, thus, who would incur the most cost—are those most likely to oppose such a measure, and if the other homeowners are willing to share the cost in equal measure, they should be permitted to do so.

FISCAL IMPACT:

The bill would have no fiscal impact on the state or local units of government. However, the bill could change the distribution of the cost for maintenance or improvement of private roads to owners in the private road special assessment district.

POSITIONS:

The Michigan Townships Association indicated support for the bill. (2-5-20)

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