

# Legislative Analysis



## **INCREASE IN DRAIN ASSESSMENT AND EXPENDITURE LIMITS**

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<http://www.house.mi.gov/hfa>

**House Bill 5060 as introduced**  
**Sponsor: Rep. Alex Garza**  
**Committee: Local Government and Municipal Finance**  
**Complete to 5-27-20**

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

### **SUMMARY:**

House Bill 5060 would amend section 196 in Chapter 8 of the Drain Code of 1956, which deals with maintenance and improvements to both county drains and intercounty drains generally.

Section 196 of the Drain Code currently requires “surplus construction funds” (i.e., funds remaining after completion of construction of a drain or funds remaining after completion of work performed under a petition for drain maintenance or improvements) to be deposited in the drain fund of a drainage district. Current law also requires that funds deposited in the drain fund of the drainage district be expended for “inspection, repair, and maintenance of the drain.”

Section 196 of the Drain Code allows the drain commissioner (for county drains) or drainage board (for intercounty drains) to expend up to \$5,000 per mile per year for drain maintenance. This limitation relates to direct costs of drain maintenance and excludes potential additional costs of engineering and inspection and certain administrative costs. Current law also authorizes the drain commissioner (for a county drain) or drainage board (for an intercounty drain) to “pre-assess” a drainage district any time the drain fund of a drainage district contains less than \$5,000 per mile or fraction of a mile of a drain. The allowable pre-assessment is currently limited to \$2,500 per mile or fraction of a mile in any one year.

House Bill 5060 would amend section 196 to increase the amount a drain commissioner or drain board could expend on drain maintenance and repair, without petition, from \$5,000 per mile per year to \$10,000 per mile per year. The bill would also increase the amount a drain commissioner or drainage board could pre-assess from \$2,500 per mile per year to \$5,000 per mile per year.

MCL 280.196

### **FISCAL IMPACT:**

The bill could increase revenue assessed and collected by county drain commissioners and county drainage boards, which are local units of government. The additional revenue would allow for more frequent and comprehensive maintenance of specific county and intercounty drains; the nature and extent of maintenance work needed as determined by the drain commissioner for county drains and by the drainage board for intercounty drains. To the extent that the bill increases maintenance and repair of intercounty drains, the bill could increase the workload of the Michigan Department of Agriculture and Rural Development (MDARD). Under the Drain Code, MDARD has administrative responsibility over intercounty drains.

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