



Senate Fiscal Agency
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House Bill 5504 (Substitute S-3 as reported)
Sponsor: Representative James Lower
House Committee: Local Government and Municipal Finance
 Ways and Means
Senate Committee: Local Government

CONTENT

The bill would amend the Drain Code to do the following:

- Require a drain commissioner to prepare a list of drainage districts that were assessed for maintenance work and specify the information the list would have to include.
- Require a drain commissioner to update the list of drainage districts annually and to make it available on either the commissioner's or the county's website.
- Allow an intercounty drain to be inspected by the drainage board (as is currently allowed) or a competent person appointed by the drainage board.
- Allow the costs incurred for the inspection, maintenance, and repair of a drain to be financed and assessed for up to 10 years.
- Require a drain commissioner or drainage board to enter an order declaring and describing an emergency condition to spend funds to alleviate the emergency.
- Prohibit a drain commissioner or drainage board from levying an additional assessment for drain maintenance if there was an assessment already in place for previous maintenance work unless there was an emergency condition or the expenditure for maintenance was approved by the governing body of each township, city, and village affected by more than 20% of the costs.
- Require a drain commissioner or drainage board to receive sealed bids for nonpetitioned maintenance work unless the commissioner or board uses county staff or a prequalified contractor to perform the work.
- Require a drain commissioner or drainage board to maintain a list of all prequalified contractors for nonpetitioned maintenance work and to make it available on the commissioner's, drainage board's, or county's website.
- Prescribe notification procedures for a drain commissioner and a drainage board if either entity determined a petition to be abandoned.
- Raise the principal amount threshold in which a contract note is subject to either the Revised Municipal Finance Act or the Agency Financing Reporting Act from \$300,000 to \$600,000.
- Specify that projects in which advances or loans were made by a corporation, the Federal government, or a Federal agency would not be subject to the Revised Municipal Finance Act or the Agency Financing Reporting Act.

MCL 280.31 et al.

Legislative Analyst: Dana Adams

FISCAL IMPACT

The bill would have a minimal fiscal impact on State or local government.

Date Completed: 12-16-20

Fiscal Analyst: Bruce Baker

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Bill Analysis @ www.senate.michigan.gov/sfa

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