



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 5188 (Substitute H-2 as reported)
Sponsor: Representative Amos O'Neal
House Committee: Local Government and Municipal Finance
Senate Committee: Local Government

CONTENT

The bill would amend Chapter 8 (Cleaning, Widening, Deepening, Straightening, and Extending Drains) of the Drain Code to do the following:

- Allow a drain commissioner or drainage board to assess a drainage district \$5,000 per mile or fraction of a mile of a drain, instead of \$2,500 per such, if a drainage fund were determined to have insufficient funds in a year.
- Increase the figure used to determine a drainage fund's insufficiency, from less than \$5,000 per mile or fraction of a mile of a drain to less than \$10,000 per mile or fraction of a mile of a drain.
- Require the figure used to determine insufficient funds in a drainage fund to be adjusted yearly by the Consumer Price Index (CPI), starting January 1, 2025.

MCL 280.196

BRIEF RATIONALE

The Code establishes monetary limits for drain assessments, which drain commissions use for inspection, maintenance, and repair of drains. According to testimony, the Code's monetary limits have not been updated since 2009, which reportedly has led to drain authorities performing maintenance on drains less efficiently. Increasing specific monetary limits for assessments would help drain authorities maintain drains more efficiently.

PREVIOUS LEGISLATION

(This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)

The bill is similar to Senate Bill 864 of the 2021-2022 Legislative Session.

Legislative Analyst: Alex Krabill

FISCAL IMPACT

The bill would raise the annual limit on drain maintenance assessments from \$5,000 to \$10,000. The bill also would allow for future increases by indexing to the CPI. This could have a negative fiscal impact on certain local units of government and the State as it would potentially increase the assessment costs to property owners, including State and local governmental units. The drain commission is a local government unit so the overall effect would be net zero on the government. The bill would have no fiscal impact on the Department of Treasury.

Date Completed: 11-25-24

Fiscal Analysts: Bruce R. Baker
Bobby Canell
Elizabeth Raczkowski; Cory Savino, PhD

floor\hb5188

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

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.