



Senate Fiscal Agency
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BILL ANALYSIS



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House Bills 4450 and 4451

Sponsor: Representative Beverly Hammerstrom

House Committee: Local Government

Senate Committee: Natural Resources and Environmental Affairs

Date Completed: 10-24-95

SUMMARY OF HOUSE BILLS 4450 and 4451 as passed by the House:

The bills would exempt from the debt limits placed on home rule villages and charter townships bonds issued and assessments or contract obligations incurred for combined sewer overflow abatement facilities.

Senate Bill 4450 would amend the Home Rule Village Act to exempt from the maximum debt limit imposed on home rule villages any assessments or contract obligations incurred for the construction, improvement, or replacement of a combined sewer overflow abatement facility. Currently, the Act limits the amount of indebtedness that a home rule village can incur through the issuance of bonds, or otherwise, to a maximum of 10% of the assessed valuation of the real and personal property within the village subject to taxation. The Act, however, exempts from this limit bonds issued for certain purposes, including for the construction, improvement, or replacement of a combined sewer overflow abatement facility.

Senate Bill 4451 would amend the Charter Township Act to exempt from the maximum debt limit imposed on charter townships any bonds issued, or contract or assessment obligations incurred, for the construction, improvement, or replacement of a combined sewer overflow abatement facility. Currently, the Act limits the amount of indebtedness that a charter township can incur for all public purposes to 10% of the assessed value of all real and personal property in the township, but exempts from this limit bonds issued for certain purposes.

Senate Bill 4451 also would define “combined sewer overflow”, “combined sewer system”, “construction” and other terms as they are defined in the Home Rule City Act.

MCL 78.26 (H.B. 4450)
42.14a (H.B. 4451)

Legislative Analyst: L. Burghardt

FISCAL IMPACT

The bills would have no fiscal impact on State government. The bills also would have no fiscal impact on local units, unless additional bonds were issued.

Fiscal Analyst: R. Ross

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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.