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SFA

BILL ANALYSIS

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Senate Bill 1086 (as enrolled)
Sponsor: Senator Valde Garcia
Senate Committee: Finance
House Committee: Tax Policy

PUBLIC ACT 585 of 2002

Date Completed: 1-30-03

RATIONALE

Public Act 188 of 1954 allows townships to levy special assessments and issue bonds to pay for certain public improvements. The Act prescribes the public improvements that may be made, such as the construction, improvement, and maintenance of sewers, water systems, roads, elevated structures for foot travel over roads, bicycle paths, and sidewalks. Reportedly, some townships are interested in building structures that help to reduce sound from industrial facilities; however, since the Act did not specify that such structures were considered public improvements, the townships questioned their ability to levy special assessments and issue bonds to pay for the structures. It was suggested that townships be allowed to finance sound reduction structures under the Act.

CONTENT

The bill amended Public Act 188 of 1954 to permit a township to construct, improve, and maintain sound attenuation (reduction) walls, pavement, or other sound mitigation treatments as improvements under the Act, unless a written objection is filed by the owners of land constituting more than 20% of the total area in a proposed special assessment district. An objection must be filed according to provisions in the Act that allow landowners to object to a proposed special assessment district. If an objection is filed, then the township board may not proceed with the improvement until a petition signed by the owners of land constituting more than 50% of the total land area in the proposed special assessment district is filed with the board.

MCL 41.722

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

Sound reduction structures, generally, are constructed beside highways and industrial facilities in order to protect nearby residential areas from intrusive, continuous noise created by traffic or industrial production. The construction of these structures can be expensive, and if not paid for by the governmental unit with jurisdiction over the highway (or by the industrial facility), nearby residents may need to find another way to finance a sound reduction project. For township residents who desire sound reduction, a viable method to pay for the structures is the collection of a special assessment. If property owners within an area feel that their quality of life will be enhanced by such an improvement, and if they are willing to pay for it, their township should be allowed to finance the improvement through a special assessment. By including sound reduction structures as a public improvement under Public Act 188, the bill allows townships to use special assessments to build the structures, and help make their neighborhoods more livable. As with other improvements within a proposed special assessment district, property owners within the proposed district may object to a sound reduction proposal, and may override the objection.

Legislative Analyst: George Towne

FISCAL IMPACT

The bill will have no fiscal impact on the State. It is unknown how many townships will construct sound attenuation structures under the bill, but the number is expected to be minimal. As a result, while the bill allows increased spending by townships and thus might result in higher township taxes, the impact is expected to be minimal.

Fiscal Analyst: David Zin

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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.