

Legislative Analysis



RAISE MAXIMUM NUMBER OF ANNUAL SPECIAL ASSESSMENT INSTALLMENTS FROM 30 TO 40

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Senate Bill 1120

Sponsor: Sen. Mike Goschka

House Committee: Local Government and Urban Policy

Senate Committee: Local, Urban and State Affairs

Complete to 5-22-06

A SUMMARY OF SENATE BILL 1120 AS PASSED BY THE SENATE 3-29-06

The bill would amend Public Act 185 of 1957, which authorizes counties to establish a department and board of public works. Under the act, a county establishing a department of public works may acquire, improve, and operate a water supply system, sewage disposal system, refuse system, or erosion control system, or make lake improvements. The county may finance these activities by various methods specified in the act, including the issuance of bonds in anticipation of special assessment payments. The act also allows a county and one or more municipalities to enter into a contract for public works projects. A municipality may pay all or part of its share of the cost by assessing the benefited land.

Currently, an assessment imposed by a county or municipality may be divided into a maximum of 30 annual installments. Senate Bill 1120 would increase that number to 40.

MCL 123.743 and 123.755

FISCAL IMPACT:

The bill would have no impact on state revenue, but could have an indeterminate effect on local revenues and/or expenditures to the extent that a local unit of government opts to increase the number of annual installments. Increasing the number of installments would likely result in reduced annual revenues and could also increase the financing costs of the special assessments.

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