

## TOWNSHIP/COUNTY ROAD PRESERVATION CONTRACTS

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**House Bill 4197**

**Sponsor: Rep. Philip LaJoy**

**Committee: Transportation**

**Complete to 2-7-05**

### A SUMMARY OF HOUSE BILL 4197 AS INTRODUCED 2-3-05

The bill would amend Section 20a of Public Act 51 of 1951 (MCL 247.670a), a section which allows for certain townships to contract with county road commissions for the preservation of the county local road system within the township. The bill would lower the section's population thresholds, making more townships eligible to enter into such contracts with county road commissions.

### BACKGROUND INFORMATION:

Sections 2 through 5 of Public Act 51 of 1951 (Act 51) provide for the selection and certification of a system of county primary and county local roads. Although these roads may traverse townships, responsibility for the improvement or preservation of these county roads lies with the county road commission having jurisdiction over the road, not with the township. Townships are permitted, but not required, to appropriate money for improvement or preservation of county roads within the township.<sup>1</sup>

Although townships are not required to pay for the cost of improvement or preservation of county roads, in many cases townships do contribute to the cost of county local road projects. In addition, Section 20a of Act 51 allows certain townships to perform local road preservation work under contract with county road commissions.

Under Section 20a of Act 51, a township may now contract with a road commission for preservation of the county local road system within that township only if the township: has a population of not less than 40,000; is in a county with a population of not less than 500,000; and the township levies a 1 mill property tax dedicated for the improvement or preservation of county roads within the township. Currently only 10 Michigan townships meet the population thresholds of the section. Only one township has entered into a road preservation contract with a county road commission; Bloomfield Township has such a contract with the Road Commission for Oakland County.

The bill would lower the township population threshold from 40,000 to 15,000, and would eliminate any reference to county population. This would increase the number of eligible townships (based on population) from 8 to approximately 50. We do not know

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<sup>1</sup> See Attorney General Opinion No. 6570, dated April 14, 1989.

how many of these townships also levy a 1 mill property tax for roads; this Section 20a requirement would not change under the bill.

Section 20a currently indicates that the contracting county road commission may pay not more than 75% of the amount specified in the contract to the contracting township annually. We understand this language to mean that the contract amount not paid by the county road commission would be paid for from township funds. The bill would increase the maximum allowable county road commission share of contract costs to not more than 90% of the amount specified in the contract.

The limitations on county road commission contract participation – 75% in current law, and 90% under HB 4197 – are subject to a further limitation: the county road commission share of contract costs is also limited in current law to 66% of the 5-year average of local county road funds [from the Michigan Transportation Fund] expended on the local county road system within the township. This limitation would not change under HB 4197.

#### **FISCAL IMPACT:**

The bill has no direct impact on state or local costs or revenues.

Fiscal Analyst: William E. Hamilton

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