

COUNTY ROAD COMMISSIONS: EXTEND TRANSFER-OF-DUTIES SUNSET

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House Bills 4212 & 4215 as enacted
Public Acts 236 & 237 of 2015
Sponsor: Rep. Roger Victory
House Committee: Local Government
Senate Committee: Local Government
Complete to 1-8-16

Analysis available at
<http://www.legislature.mi.gov>

BRIEF SUMMARY: Public Acts 236 and 237 replace the January 1, 2015, deadline for county commissioners to consolidate their local county road agencies with county government with a January 1, 2020, deadline.

FISCAL IMPACT: The bills will have no direct fiscal impact on state or local government. The bills authorize, but do not mandate, the transfer of the powers, duties, and functions of one local unit of government, a county road commission, to another local unit of government, the county board of commissioners. Whether a transfer will reduce or increase costs will depend on circumstances specific to each road commission and county board of commissioners.

THE APPARENT PROBLEM:

There are 83 local road agencies in Michigan, one in every county. Seventy-eight counties have road commissions, while in five counties (Macomb, Wayne, Ingham, Jackson, and Calhoun), road functions are a part of the county's general government operations.

A local road commission was among the earliest forms of local government in our state, the first dating to 1883 and located in Bay County. Beginning in 1909, the state legislature authorized all county residents to establish local road commissions—each having between three and five members—and eventually all 83 counties did so. See *Background Information*, below.

Until 2011, 48 road boards were directly appointed by county commissioners, 33 local road boards were elected, while in two charter counties—Wayne and Macomb—the responsibility for local roads fell to the county government.

That same year, at the urging of Governor Snyder, boards of county commissioners were encouraged to investigate the cost savings they could realize by enfolding county road functions within the general operations of county government, and abolishing their local road agencies.

To that end, in 2012, the Michigan legislature enacted two laws—Public Acts 14 and 15 of 2012—that allowed boards of county commissioners to assume the duties of their county road commissions. The county boards of commissioners could act unilaterally in the 48

counties where road commissioners served as their appointees. In the 33 counties where road commissioners were elected, the county commissioners were required to put the question to voters. In both instances, action to consolidate had to occur before January 1, 2015.

Many boards of county commissioners considered consolidation; however, only three did so. The appointed local road agencies were disbanded in Ingham, Jackson, and Calhoun counties.

THE CONTENT OF THE BILLS:

The bills will extend the deadline of January 1, 2015, for county commissioners to pass resolutions to transfer the powers, duties, and functions of county road commissions (both appointed and elected) to the county board of commissioners, to January 1, 2020.

Under House Bills 4212 and 4215, county commissioners will have an additional five years to pass a resolution to dissolve an appointed road commission and transfer its duties to the county commission.

Further, in counties having elected road commissions, county commissioners have an additional five years to pass a resolution to submit to the voters (at the next regular election), the question of transferring the powers, duties and functions of the elected road commission to the county commission.

Finally, the enrolled version of the bill adds a provision allowing for the re-establishment of a road commission if it would produce a cost savings. Previously, if at some point after a road commission was dissolved, the county board of commissioners determined that re-establishing the road commission would produce a cost savings, it could do so by submitting the issue to a countywide vote. The act retains that provision and adds another whereby the county commission may, by a majority vote of its members, re-establish the road commission.

House Bill 4212 amends Public Act 156 of 1851, the act that defines the powers and duties of county boards of commissioners. House Bill 4215 amends the County Road Law (Public Act 283 of 1909).

The bills are tie-barred so that neither could have gone into effect without both being enacted.

MCL 46.11 (HB 4212) and MCL 224.6 (HB 4215)

BACKGROUND INFORMATION:

To learn more about Michigan's county road associations, visit:
http://www.micountyroads.org/PDF/econ_broch.pdf

ARGUMENTS:

For:

Proponents of the bills argue that the consolidation of local road functions with general county operations can save county taxpayers money, by eliminating duplicative administrative costs. They point out the bills encourage and enhance local cooperation, as well as promote administrative 'best practices', while remaining voluntary.

Proponents from counties such as Monroe and Ottawa note that the legacy costs that county road commissioners have promised road commission employees can surpass a county's financial resources. At a time when some county officials have begun to negotiate these financial challenges, counties must have the ultimate ability to oversee county road operations as an integral part of county government, to ensure long-term accountability to taxpayers.

Against:

Opponents of the legislation say that many county boards of commissioners—an estimated 25 or 30—investigated the potential cost savings achieved through consolidation between 2012 and 2014, only to determine the savings were minimal. Consequently, consolidation of the county road commission with the county board of commissioners took place in only three of the potential 81 counties.

Opponents argue that county road agencies are always accountable to taxpayers, and produce annual audits to verify their expenditures. Further, road commissioners can be removed at any time—either by the voters, or by the county commissioners who appoint them. Finally, they note that county commissioners are very busy ensuring the efficient delivery of a wide range of programs, so most welcome the assistance of knowledgeable road commissioners to oversee road construction and maintenance programs.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.