

30-YEAR ROAD COMMISSION INSTALLMENT CONTRACTS

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House Bill 4120 as referred to second committee

Sponsor: Rep. Gregory Markkanen

1st Committee: Transportation

2nd Committee: Ways and Means

Complete to 4-22-19

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

SUMMARY:

House Bill 4120 would amend 1909 PA 283, the county road law, to allow a county road commission to enter into a contract or agreement for the purchase of real or personal property for public purposes, to be paid for in installments over a period of up to 30 years or the useful life of the property acquired, whichever is less. Current law prescribes a maximum period of 15 years for such an installment contract.

MCL 224.10

FISCAL IMPACT:

Under current provisions of the county road law, county road commissions are authorized to enter into a contract or agreement for the purchase of real or personal property for public purposes, to be paid for in installments over a period of up to 15 years or the useful life of the property acquired, whichever is less. These provisions were added by 2003 PA 137.¹

House Bill 4120 would extend the allowable installment payment period to up to 30 years. The bill would retain the restricting phrase “or the useful life of the property acquired, whichever is less.”

The bill has no fiscal impact on state government. In expanding authorized methods of financing, the bill could have a marginal fiscal impact on county road commissions.

POSITIONS:

Representatives of the following entities testified in support of the bill (3-19-19):

- County Road Association of Michigan
- Keweenaw County Road Commission

The Oakland County Road Commission indicated support for the bill. (3-19-19)

The Michigan Department of Transportation indicated a neutral position on the bill. (3-19-19)

Legislative Analyst: E. Best

Fiscal Analyst: William E. Hamilton

■ 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.

¹ See <http://www.legislature.mi.gov/documents/2003-2004/billanalysis/House/pdf/2003-HLA-4708-b.pdf>