

Act No. 34  
Public Act of 1988  
Approved by the Governor  
February 24, 1988  
Filed by the Secretary of State  
February 25, 1988

**STATE OF MICHIGAN  
84TH LEGISLATURE  
REGULAR SESSION OF 1988**

Introduced by Senators Miller, Irwin, Vaughn and J. Hart

# **ENROLLED SENATE BILL No. 330**

AN ACT to amend section 547 of Act No. 40 of the Public Acts of 1956, entitled as amended "An act to codify the laws relating to the laying out of drainage districts, the consolidation of drainage districts, the construction and maintenance of drains, sewers, pumping equipment, bridges, culverts, fords, and the structures and mechanical devices to properly purify the flow of drains; to provide for flood control projects; to provide for water management, water management districts, and subdistricts, and for flood control and drainage projects within drainage districts; to provide for the assessment and collection of taxes; to provide for the investment of funds; to provide for the deposit of funds for future maintenance of drains; to authorize public corporations to impose taxes for the payment of assessments in anticipation of which bonds are issued; to provide for the issuance of bonds by drainage districts and for the pledge of the full faith and credit of counties for payment of the bonds; to authorize counties to impose taxes when necessary to pay principal and interest on bonds for which full faith and credit is pledged; to validate certain acts and bonds; and to prescribe penalties," being section 280.547 of the Michigan Compiled Laws; and to add section 547a.

*The People of the State of Michigan enact:*

Section 1. Section 547 of Act No. 40 of the Public Acts of 1956, being section 280.547 of the Michigan Compiled Laws, is amended and section 547a is added to read as follows:

Sec. 547. (1) The drainage board shall use any surplus construction funds remaining in the construction fund after completion of the project for the maintenance of the drain but not to exceed the cost of maintaining the drain for 1 year or shall authorize the transfer of the funds to the bond and interest account, if bonds were issued, in such amounts as the drainage board considers proper.

(2) The drainage board shall contract with any public corporation whenever that public corporation has been assessed for all or part of the cost of the drain or whenever land in any city, village, township, or combination thereof has been assessed for all or any part of the cost of a drain. The contract shall provide that after all outstanding drain orders or bonds are paid on a drainage district project, the drainage board shall authorize the county treasurers to pay over any portion of the surplus not needed for more than the cost of 1 year's maintenance of the drain to the county, township, city, or village in which the drain was located or in which assessments for benefits have been assessed and collected. The payments shall be on a pro rata basis in direct proportion to the amounts assessed and collected from each such county, township, city, or village. The contract shall also provide that upon receipt of the surplus fund the county, city, village, or township shall utilize the surplus funds to alleviate drainage problems in their respective jurisdictions.

(3) If state highway funds are involved in a project, the drain commissioner or the drainage board, upon completion of a construction project, and after all outstanding drain orders or bonds are paid on the project shall return, on a pro rata basis, surplus construction funds in excess of 1 year's maintenance to the state transportation department for the construction, maintenance, and administration of state highways.

(4) A drainage board may apply section 547a in place of this section.

(5) As used in this section and section 547a, "public corporation" includes any city, village, township, county, or the state.

Sec. 547a. (1) After the construction of a county drain for which none of the financing is obtained through special assessments under section 539, the drainage board shall provide for an amount from surplus construction funds sufficient to maintain the drain for a period not to exceed 1 year. After providing for 1 year's maintenance cost, the drainage board may apportion the balance of the surplus construction funds to separate accounts to the credit of the public corporations against which the cost of the drain is assessed. The funds shall be credited in direct proportion to amounts assessed and collected from the public corporations.

(2) Funds in an account apportioned to the credit of a public corporation under this section shall be used only for the following:

(a) To pay principal and interest on bonds issued to finance the drain for which the assessment is imposed.

(b) If bonds are not sold, to pay assessments due from the public corporation.

(c) At the request of the public corporation, to alleviate drainage problems in that public corporation.

This act is ordered to take immediate effect.

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Secretary of the Senate.

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Clerk of the House of Representatives.

Approved.....

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Governor.