

SENATE BILL No. 330

May 28, 1987, Introduced by Senators MILLER, IRWIN, VAUGHN and
J. HART and referred to the Committee on Local Government and
Veterans.

A bill to amend section 547 of Act No. 40 of the Public Acts
of 1956, entitled as amended

"The drain code of 1956,"

being section 280.547 of the Michigan Compiled Laws; and to add
section 547a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 547 of Act No. 40 of the Public Acts of
2 1956, being section 280.547 of the Michigan Compiled Laws, is
3 amended and section 547a is added to read as follows:

4 Sec. 547. (1) The drainage board shall use any surplus con-
5 struction funds remaining in the construction fund after comple-
6 tion of the project for the maintenance of the drain but not to
7 exceed the cost of maintaining the drain for 1 year or SHALL
8 authorize the transfer of ~~such~~ THE funds to the bond and

1 interest account, if bonds were issued, in such amounts as ~~they~~
2 ~~deem~~ THE DRAINAGE BOARD CONSIDERS proper.

3 (2) The drainage board shall contract with any public corpo-
4 ration ~~, which term as used in this section includes any city,~~
5 ~~village, township, county or the state~~ whenever ~~they have~~ THAT
6 PUBLIC CORPORATION HAS been assessed for all or part of the cost
7 of the drain or whenever land in any city, village, township, or
8 combination thereof has been assessed for all or any part of the
9 cost of a drain. The contract shall provide that after all out-
10 standing drain orders or bonds are paid on a drainage district
11 project, the drainage board shall authorize the county treasurers
12 to pay over any portion of the surplus not needed for more than
13 the cost of 1 year's maintenance of the drain to the county,
14 township, city, or village in which THE drain was located or in
15 which assessments for benefits have been assessed and collected.
16 The payments shall be on a pro rata basis in direct proportion to
17 the amounts assessed and collected from each such ~~local unit~~
18 COUNTY, TOWNSHIP, CITY, OR VILLAGE. The contract shall also pro-
19 vide that upon receipt of the surplus fund the county, city,
20 village, or township shall utilize ~~such~~ THE surplus funds to
21 alleviate drainage problems in their respective jurisdictions.
22 ~~-. Provided, however, Whenever~~

23 (3) IF state highway funds are involved in a project, the
24 drain commissioner or THE drainage board, upon completion of a
25 construction project, AND AFTER ALL OUTSTANDING DRAIN ORDERS OR
26 BONDS ARE PAID ON THE PROJECT shall return, on a pro rata basis,
27 surplus construction funds in excess of 1 year's maintenance to

1 the STATE TRANSPORTATION department ~~of state highways~~ for the
2 construction, maintenance, and administration of state highways.

3 (4) A DRAINAGE BOARD MAY APPLY SECTION 547A IN PLACE OF THIS
4 SECTION.

5 (5) AS USED IN THIS SECTION AND SECTION 547A, "PUBLIC
6 CORPORATION" INCLUDES ANY CITY, VILLAGE, TOWNSHIP, COUNTY, OR THE
7 STATE.

8 SEC. 547A. (1) AFTER THE CONSTRUCTION OF A COUNTY DRAIN FOR
9 WHICH NONE OF THE FINANCING IS OBTAINED THROUGH SPECIAL ASSESS-
10 MENTS UNDER SECTION 539, THE DRAINAGE BOARD SHALL PROVIDE FOR AN
11 AMOUNT FROM SURPLUS CONSTRUCTION FUNDS SUFFICIENT TO MAINTAIN THE
12 DRAIN FOR A PERIOD NOT TO EXCEED 1 YEAR. AFTER PROVIDING FOR 1
13 YEAR'S MAINTENANCE COST, THE DRAINAGE BOARD MAY APPORTION THE
14 BALANCE OF THE SURPLUS CONSTRUCTION FUNDS TO SEPARATE ACCOUNTS TO
15 THE CREDIT OF THE PUBLIC CORPORATIONS AGAINST WHICH THE COST OF
16 THE DRAIN IS ASSESSED. THE FUNDS SHALL BE CREDITED IN DIRECT
17 PROPORTION TO AMOUNTS ASSESSED AND COLLECTED FROM THE PUBLIC
18 CORPORATIONS.

19 (2) FUNDS IN AN ACCOUNT APPORTIONED TO THE CREDIT OF A
20 PUBLIC CORPORATION UNDER THIS SECTION SHALL BE USED ONLY FOR THE
21 FOLLOWING:

22 (A) TO PAY PRINCIPAL AND INTEREST ON BONDS ISSUED TO FINANCE
23 THE DRAIN FOR WHICH THE ASSESSMENT IS IMPOSED.

24 (B) IF BONDS ARE NOT SOLD, TO PAY ASSESSMENTS DUE FROM THE
25 PUBLIC CORPORATION.

26 (C) AT THE REQUEST OF THE PUBLIC CORPORATION, TO ALLEVIATE
27 DRAINAGE PROBLEMS IN THAT PUBLIC CORPORATION.