



House Bill 5125 (Substitute S-2 as reported)
House Bill 5126 (Substitute S-4 as reported)
Sponsor: Representative Jon Switalski (H.B. 5125)
Representative Dale Zorn (H.B. 5126)
House Committee: Transportation
Senate Committee: Transportation

CONTENT

House Bill 5125 (S-2) would amend Public Act 283 of 1909, the county road law, to allow a county board of commissioners, by resolution, to submit to the electors of the county the question of transferring the powers, duties, and functions of the county road commission to the county board of commissioners. If a majority of the electors voted in favor of the question, the board of county road commissioners would be dissolved and the county board of commissioners would be authorized to receive and spend funds as allowed under Public Act 51 of 1951, the Michigan Transportation Fund (MTF) law.

Before adopting the resolution, the county board of commissioners would have to conduct at least two public hearings and perform a thorough review of the road commission's operations, including all of the following:

- A comprehensive independent audit, including both the road commission's long-term financial needs and a management plan for all of its assets.
- A liabilities and cost savings analysis.
- Debt and risk management plans.
- Plans for providing local revenue necessary to meet the current and future needs of the county road system.

(The bill would not apply to Wayne and Macomb Counties.)

House Bill 5126 (S-4) would amend Public Act 156 of 1851, which governs county boards of commissioners, to provide for the dissolution of a board of county road commissioners and the transfer of its powers, duties, and functions to the county board of commissioners, if approved by voters under House Bill 5125 (S-2), and authorize the county board of commissioners to receive and spend funds under the MTF law.

If the powers and duties of the office of county drain commissioner had been transferred previously to the county road commission, the county board of commissioners would have to reestablish, by resolution, the office of county drain commissioner as an elected office.

After a county road commission was dissolved, if the county board of commissioners determined that a county road commission would provide a cost savings to and better meet the needs of county residents, the county board of commissioners could, upon majority vote, submit to the voters the question of adopting a county road system with a board of county road commissioners.

The bills are tie-barred to each other.

FISCAL IMPACT

The bills would have an indeterminate, and likely minimal, impact on local unit revenue and expenditures, depending on the decisions of a county board of commissioners. If a county road commission were dissolved under the bills, that county would potentially realize an unknown amount of reduced expenditures, depending on the savings from eliminating road commissioner positions compared to the costs to the board of commissioners of assuming those administrative duties. To the extent that the county board of commissioners made different decisions than the road commissioners would have made absent the bill, those decisions could produce different revenue and expenditures.

House bill 5126 (S-4) provides that if voters in a county elected to dissolve the county road commission, and previously the responsibilities of the office of drain commissioner had been transferred to the county road commission, then the county would be required to reestablish the office of county drain commissioner as an elected position. Under such circumstances, the impact on the county would be indeterminate and would depend on the decisions made by the reestablished office. Assuming that the drain commissioner office had been absorbed for cost-saving reasons, this requirement presumably would reduce any potential cost saving that could occur from dissolving the board of road commissioners.

Date Completed: 12-14-11

Fiscal Analyst: David Zin

floor\hb5125.

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.