

Legislative Analysis



COUNTY ROADS: WORK IN RIGHT-OF-WAY

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House Bill 5096

Sponsor: Rep. Wayne Schmidt

Committee: Energy and Technology

Complete to 10-28-13

A REVISED SUMMARY OF HOUSE BILL 5096 AS INTRODUCED 10-23-13

The bill would extend to any person or entity the same cap on permit fees currently established only for governmental units when a permit is requested from a county road commission for a work project within the right-of-way of a county road.

BACKGROUND INFORMATION:

It is often necessary for utilities, construction firms, and others to work within the right-of-way of county roads to lay pipelines, construct drains, and other activities. Public Act 212 of 1980 requires entities to first obtain a permit from a county road commission (and also from the city, village, or township in which the road is located if that governmental unit requires such a permit). The act also allows a county road commission to establish a schedule of fees for a permit but restricts a fee so that it may only cover the necessary and actual costs for issuing the permit and for reviewing the proposed activity, inspection, and related expenses. However, the act caps the permit fee that can be charged to a governmental unit by a county road commission to \$300 per permit or \$1,000 total for all permits per project. This maximum permit fee for governmental entities has not been adjusted since the act took effect in early 1981.

CONTENT OF THE BILL:

The bill would amend the County Road Law. Currently, a county road commission may not charge a government entity a permit fee for activities within a county road right-of-way that exceeds \$300 per permit or \$1,000 total for all permits per project. The bill would eliminate the reference to "a government" and instead specify that a county road commission shall not charge any entity a permit fee exceeding \$300 per permit or \$1,000 total for all permits per project.

The provision allowing a county road commission to establish permit fees to cover the necessary and actual costs of issuing the permit and conducting reviews of the proposed activity, inspections, and related expenses would remain unchanged.

FISCAL IMPACT:

The bill would have no fiscal impact on state government. The bill's impact would be limited to local government, specifically county road commissions, as well as those

county governments (Wayne, Macomb, Ingham, Calhoun and Jackson) that have assumed the powers and duties of road commissions.

To the extent that county road commissions currently charge permit fees to private parties in excess of the proposed limits, the bill would reduce local road commission revenue.

The amount of the revenue loss would be localized and would obtain in those situations in which the actual costs of road commission permit work exceeded the permit fee limits established in the bill. The bill's impact would be greatest in relation to large complex projects within the road commission right of way, such as pipeline or utility projects, and more particularly within urban environments – projects that potentially require higher levels of road commission review and oversight.

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