

Legislative Analysis



LOCAL GOV'T: SEWER TAP-IN FEE DEADLINE

Mary Ann Cleary, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4494

Sponsor: Rep. Joseph Graves
Committee: Local Government
Complete to 10-23-13

A SUMMARY OF HOUSE BILL 4494 AS INTRODUCED 4-9-13

House Bill 4494 would amend the Public Health Code to modify the legal protocols that allow local units of government to charge for sewer tap-in fees so as to prohibit a local unit from charging a property owner a tap-in fee if the unit fails to assess the fee within two years of certain specified events. A more detailed description of the bill follows.

Under House Bill 4494, if a government entity (defined in the bill to include, but not be limited to, a city, village, township, or authority) charges a tap-in fee for connection of a structure to an available public sanitary sewer system, then that fee must be charged to the owner of the property on which the structure lies not later than two years after the date of one of the following, *whichever occurred last*:

- the date the governmental entity published notice in a newspaper of the public sanitary sewer system's availability;
- the date a building permit was approved for a structure in which sanitary sewage originated; or,
- the date a building permit was approved to modify a structure so that it would become a structure in which sanitary sewage originated.

The bill specifies that if a governmental entity failed to comply with the requirements noted above, then the governmental entity would be prohibited from charging the owner of the property a tap-in fee.

Proposed MCL 333.12755

FISCAL IMPACT:

As written, the bill would reduce revenues for local units by an indeterminate amount. Local units would be incentivized to assess these fees promptly; therefore, it is likely that the reduction in revenue would shrink substantially in the future. There would be no effect on state revenues or expenditures.

Legislative Analyst: J. Hunault
Fiscal Analysts: Adam Desrosiers

■ 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.