



Senate Fiscal Agency
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 BILL ANALYSIS

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House Bill 5314 (as discharged)
Sponsor: Representative Gregory Markkanen
House Committee: Transportation
 Ways and Means
Senate Committee: Transportation and Infrastructure (discharged)

CONTENT

The bill would amend the county road law to modify, from 15 to 30 years, the period of time for which a county road commission could pay installments on a contract or agreement for the purchase of real or personal property for public purposes.

Currently, a county road commission may enter into a contract or agreement for the purchase of real or personal property for public purposes to be paid for in installments over a period not to exceed of years or the useful life of the property acquired, whichever is less. Under the bill, instead, the contract or agreement would have to be paid for in installments over a period not to exceed 30 years or the useful life the property acquired, whichever was less.

MCL 224.10

BACKGROUND

House Bill 5314 is a reintroduction of House Bill 4120, which passed the House and Senate and was enrolled on December 3, 2019. The Governor vetoed House Bill 4120 on December 18, 2019. In her veto message, the Governor indicated that the bill would have provided "greater financial flexibility for counties", but that she "fail[ed] to see a reasonable justification for th[e] disparity" in a provision of House Bill 4120 that limited the extended period of time a county road commission could pay installments on a contract or agreement to counties with a population of less than 100,000.

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bill would not have no fiscal impact on the State. The bill could have a small, positive fiscal impact on county road commissions. By extending the term limit of installment payments for the purchase of real or personal property from 15 years to 30 years, some county road commissions could have options for installment payment terms that would be more manageable than currently available under the current 15-year maximum.

Date Completed: 12-10-20

Fiscal Analyst: Michael Siracuse