



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bills 674 through 679 (as introduced 6-25-09)
Sponsor: Senator Jim Barcia (S.B. 674-676)
Senator Alan L. Cropsey (S.B. 677-679)
Committee: Economic Development and Regulatory Reform

Date Completed: 8-5-09

CONTENT

The bills would amend Public Act 233 of 1955, which provides for the incorporation of certain municipal authorities to acquire, own, extend, improve, and operate sewage disposal systems, water supply systems, and solid waste management systems, to do all of the following:

- Allow an Indian tribe to enter into a contract under the Act, by resolution of the tribe's governing body.**
- Allow charges or rates specified in a contract to be higher for Indian tribes than for an authority's constituent municipalities.**
- Provide that rules and regulations promulgated under the Act could be enforced by an Indian tribe in territory under its jurisdiction.**
- Require an Indian tribe to discontinue service to a user who violated a rule or regulation if the authority determined discontinuance was necessary, and to restore service when the authority determined a threat to the system no longer existed.**

A detailed description of the bills follows.

Senate Bill 674

The Act allows an authority created under it, and any of the authority's constituent municipalities, to enter into a contract or contracts to acquire, construct, improve, enlarge, extend, operate, and finance a sewage disposal system, a water supply system, a solid waste management system, or a combination of those systems. Under the bill, an Indian tribe also could enter into a contract for those purposes.

A contract entered into under the Act must provide for the allocation and payment of the share of the total cost to be borne by each contracting municipality in annual installments for a period of up to 40 years. The bill would refer to each contracting municipality or Indian tribe.

Senate Bill 675

The bill would define "Indian tribe" as an Indian tribe, band, nation, or other organized group or community of Indians that is recognized as eligible for services by the U.S. Secretary of the Interior because of their status as Indians. Unless the context clearly implies a different meaning, "authority" would mean an authority incorporated under the Act.

Senate Bill 676

The Act allows an authority and any constituent or nonconstituent municipality of the authority to contract for the furnishing of water, sewage disposal, or waste management services, or a combination of those services, by the authority to the municipality. Under the bill, the authority and any municipality or Indian tribe could contract for those services.

The charges or rates specified in a contract are subject to change by the authority, if necessary to meet its obligations. The charges or rates to a nonconstituent municipality may be greater than those to constituent municipalities. Under the bill, the charges or rates to an Indian tribe also could be greater than those to constituent municipalities.

Senate Bill 677

The Act requires a municipality desiring to enter into a contract with an authority to authorize the execution of the contract by resolution of its governing body. The bill would extend that requirement to an Indian tribe wishing to enter into a contract with an authority.

Senate Bill 678

Rules and regulations promulgated under the Act are enforceable by an authority, its constituent municipalities, and municipalities that have contracted with the authority for the furnishing of services. Under the bill, those rules and regulations also would be enforceable by Indian tribes that contracted with the authority.

A municipality may exercise its enforcement powers against a violator in territory under its jurisdiction. The bill would refer to a municipality or Indian tribe in that provision.

Senate Bill 679

The Act allows an authority to authorize the discontinuance of service to a user who violates a rule or regulation promulgated under the Act if it determines that discontinuance of service to that user is necessary to protect the integrity of the affected system. The authority must authorize restoration of service when it determines that the threat to the system no longer exists and that the cause of or events resulting in the violation will not recur. The municipality that maintains and operates the affected system or part of it, or the authority, pursuant to that municipality's authorization, must discontinue and restore service as authorized by the authority. Under the bill, the municipality or Indian tribe, or the authority, pursuant to the municipality's or Indian tribe's authorization, would have to discontinue and restore service.

MCL 124.287 (S.B. 674)
124.281 (S.B. 675)
124.290 (S.B. 676)
124.288 (S.B. 677)
124.284d (S.B. 678)
124.284e (S.B. 679)

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bills would have no impact on State revenue or expenses. The bills would have an indeterminate impact on local units, depending on the nature of any agreements or contracts affected by the bills' provisions. To the extent that tribes entered into agreements under the bills, affected local units likely would incur both additional expenses and additional revenue.

Fiscal Analyst: David Zin

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