

Legislative Analysis



ALLOW CITIES TO ESTABLISH SPECIAL ASSESSMENT DISTRICT FOR PRIVATE ROAD MAINTENANCE

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Senate Bill 896 (S-1) as passed by the Senate

Sponsor: Sen. Kevin Hertel

House Committee: Local Government and Municipal Finance

Senate Committee: Local Government

Complete to 12-11-24

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 896 would amend the Home Rule City Act to allow cities to authorize the creation of a special assessment district to fund maintenance¹ and improvements for a private road.

A city could make or contract for maintenance or improvement of the private road if its legislative body passes a resolution to create a special assessment district for that purpose or if the legislative body receives a petition from a majority of the property owners who own frontage along the road.

Road maintenance or improvement, and any related assessment, could not begin until the city's legislative body creates a special assessment district and assesses the properties within the district. Costs would be proportionally allocated against property owners based on their share of the road frontage, and the legislative body would have to provide proper notice of public hearings for the assessment to all property owners in the special assessment district that will benefit from the road maintenance or improvement.

The legislative body could authorize the maintenance or improvement as an annual program that is in place for up to five years, and property owners within the special assessment district could not be assessed for longer than five years unless a new district and assessment are created to continue the program.

Proposed MCL 117.5/

BACKGROUND:

According to Senate committee testimony, the city of Algonac has a private road where residents living along the road would like to form a special assessment district to maintain the road, but they currently cannot do so under the Home Rule City Act. The bill would allow those residents to petition the city for a special assessment district to fund maintenance and repair of that road, which would help residents with planning, engineering, and financing.

¹ *Maintenance* would mean that term as defined in 1951 PA 51 ("Act 51"). Generally speaking, the term refers to routine maintenance (actions performed on a regular or controllable basis in response to uncontrollable events, such as snow and ice removal, pothole patching, and emergency repairs) and preventive maintenance (planned actions to maintain a road's fundamental condition and delay deterioration, such as sealing and minor treatment projects), but not major restoration or construction.

FISCAL IMPACT:

Senate 896 would amend the Home Rule City Act to allow the legislative body of a city to, by resolution, authorize the city to contract for the maintenance or improvement of any private road in the city by creating a special assessment district.

The bill would have no impact on state costs or revenues. The bill is permissive only and would affect only those cities that elect to contract for the maintenance or improvement of private roads in the city and to establish a special assessment district as authorized and defined in the bill.

If city assessments were sufficient to cover the costs of maintenance services provided, there would be no net effect on city finances.

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