



# HOUSE BILL No. 5374

November 7, 1995, Introduced by Rep. Bullard and referred to the Committee on Tax Policy.

A bill to amend sections 626, 628, and 629 of Act No. 40 of the Public Acts of 1956, entitled as amended  
"The drain code of 1956,"  
being sections 280.626, 280.628, and 280.629 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 626, 628, and 629 of Act No. 40 of the  
2 Public Acts of 1956, being sections 280.626, 280.628, and 280.629  
3 of the Michigan Compiled Laws, are amended to read as follows:

4 Sec. 626. (1) When 2 or more public corporations other  
5 than the state or a county or counties are to be assessed, the  
6 drainage board, or if appropriate in chapter 21 proceedings, the  
7 drain commissioner, may determine that costs to be assessed to  
8 the public corporations, in excess of those apportioned for  
9 drainage to state or county highways, shall not be apportioned by

1 the establishment of a fixed percentage of costs to be borne by  
2 each public corporation, but that the costs shall be assessed at  
3 large to all of the public corporations in the aggregate, ~~and~~  
4 ~~apportioned annually between the public corporations on the basis~~  
5 ~~of the relative valuations, as equalized, of each within the area~~  
6 ~~served by the drain,~~ if the drainage board or drain commissioner  
7 ~~shall determine~~ DETERMINES that this method of apportionment  
8 will more fairly result in the costs of the drain being appor-  
9 tioned in accordance with the benefits to be derived.

10 ~~therefrom.~~ COSTS ASSESSED UNDER THIS SECTION BEFORE AUGUST 1995  
11 SHALL BE APPORTIONED ANNUALLY BETWEEN THE PUBLIC CORPORATIONS ON  
12 THE BASIS OF THE RELATIVE VALUATIONS, AS EQUALIZED, OF EACH  
13 PUBLIC CORPORATION WITHIN THE AREA SERVED BY THE DRAIN. COSTS  
14 ASSESSED UNDER THIS SECTION AFTER JULY 1995 SHALL BE APPORTIONED  
15 ANNUALLY BETWEEN THE PUBLIC CORPORATIONS ON THE BASIS OF THE TAX-  
16 ABLE VALUE OF EACH WITHIN THE AREA SERVED BY THE DRAIN. Notice of  
17 tentative apportionment ~~in the foregoing manner~~ UNDER THIS  
18 SECTION shall include a calculation of the apportionment of costs  
19 between public corporations assessed in the aggregate based on  
20 the latest available valuations. AS USED IN THIS SECTION, SEC-  
21 TION 628, AND SECTION 629, "TAXABLE VALUE" MEANS THAT VALUE  
22 DETERMINED UNDER SECTION 27A OF THE GENERAL PROPERTY TAX ACT, ACT  
23 NO. 206 OF THE PUBLIC ACTS OF 1893, BEING SECTION 211.27A OF THE  
24 MICHIGAN COMPILED LAWS.

25       Sec. 628. On or before June 1 of each year, or, if neces-  
26 sary in connection with notification of the due date of the  
27 initial installment only at any appropriate time, the ~~chairman~~

1 CHAIRPERSON of the drainage board shall notify each public  
2 corporation to which costs are apportioned as provided in this  
3 chapter of the installment of assessment and interest ~~thereon~~  
4 coming due before the next June 1. On or before the due date of  
5 an installment, each public corporation shall pay to the county  
6 treasurer the full amount, together with interest accruing to the  
7 due date. Failure to notify a public corporation shall not  
8 excuse it from making payment of the installment and interest.  
9 In determining the amounts due from public corporations assessed  
10 in the aggregate BEFORE AUGUST 1995, the ~~chairman~~ CHAIRPERSON  
11 shall calculate the total state equalized valuation of each  
12 PUBLIC CORPORATION within the area served by the drain and shall  
13 assign to each public corporation as its annual installment the  
14 same percentage of the total aggregate installment next falling  
15 due as the state equalized valuation of the public corporation  
16 within the area served by the drain bears to the total state  
17 equalized valuation within the area served by the drain. In  
18 making those calculations, the ~~chairman~~ CHAIRPERSON shall use  
19 the state equalized valuation for the latest year in which the  
20 valuations are finalized for the public corporations so assessed,  
21 even though the valuations may no longer be current. IN DETER-  
22 MINING THE AMOUNTS DUE FROM PUBLIC CORPORATIONS ASSESSED IN THE  
23 AGGREGATE AFTER JULY 1995, THE CHAIRPERSON SHALL CALCULATE THE  
24 TOTAL TAXABLE VALUE OF EACH WITHIN THE AREA SERVED BY THE DRAIN  
25 AND SHALL ASSIGN TO EACH PUBLIC CORPORATION AS ITS ANNUAL  
26 INSTALLMENT THE SAME PERCENTAGE OF THE TOTAL AGGREGATE  
27 INSTALLMENT NEXT FALLING DUE AS THE TAXABLE VALUE OF THE PUBLIC

1 CORPORATION WITHIN THE AREA SERVED BY THE DRAIN BEARS TO THE  
2 TOTAL TAXABLE VALUE WITHIN THE AREA SERVED BY THE DRAIN. IN  
3 MAKING THOSE CALCULATIONS, THE CHAIRPERSON SHALL USE THE TAXABLE  
4 VALUE FOR THE LATEST YEAR IN WHICH THE VALUATIONS ARE FINALIZED  
5 FOR THE PUBLIC CORPORATIONS SO ASSESSED, EVEN THOUGH THE VALUA-  
6 TIONS MAY NO LONGER BE CURRENT. If noncurrent valuations are  
7 used, the drainage board may determine to adjust later payments  
8 when valuations are finalized if the board in its sole discretion  
9 ~~shall determine~~ DETERMINES THAT the adjustment ~~to be~~ IS nec-  
10 essary to properly apportion costs between public corporations  
11 ~~so~~ assessed.

12       Sec. 629. In calculating amounts of assessments chargeable  
13 against debt limitations of public corporations assessed under  
14 this chapter BEFORE AUGUST 1995, each public corporation shall be  
15 charged with the same percentage of the total aggregate at large  
16 assessment as the state equalized valuation of the public corpo-  
17 ration within the area served by the drain bears to the total  
18 state equalized valuation within the area served by the drain.  
19 The state equalized valuations used in those calculations shall  
20 be those used in the latest notification of installment sent by  
21 the ~~chairman~~ CHAIRPERSON pursuant to section 628, and ~~prior~~  
22 ~~thereto~~ shall be the latest STATE EQUALIZED valuations  
23 available. IN CALCULATING AMOUNTS OF ASSESSMENTS CHARGEABLE  
24 AGAINST DEBT LIMITATIONS OF PUBLIC CORPORATIONS ASSESSED UNDER  
25 THIS CHAPTER AFTER JULY 1995, EACH PUBLIC CORPORATION SHALL BE  
26 CHARGED WITH THE SAME PERCENTAGE OF THE TOTAL AGGREGATE AT LARGE  
27 ASSESSMENT AS THE TAXABLE VALUE OF THE PUBLIC CORPORATION WITHIN

1 THE AREA SERVED BY THE DRAIN BEARS TO THE TOTAL TAXABLE VALUE  
2 WITHIN THE AREA SERVED BY THE DRAIN. THE TAXABLE VALUES USED IN  
3 THOSE CALCULATIONS SHALL BE THOSE USED IN THE LATEST NOTIFICATION  
4 OF INSTALLMENT SENT BY THE CHAIRPERSON PURSUANT TO SECTION 628,  
5 AND SHALL BE THE LATEST TAXABLE VALUES AVAILABLE.