Legislative Analysis

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STATE TRANSPORTATION COMMISSION – SURETY BOND REQUIREMENTS FOR COMMISSIONERS

House Bill 6605
Sponsor: Rep. Hoon-Yung Hopgood
House Committee: Transportation

Complete to 11-13-08

A SUMMARY OF HOUSE BILL 6605 AS INTRODUCED 11-6-08

House Bill 6605 would amend 1964 PA 286 (MCL 247.801 et. seq.) which provides for the organization, powers, and duties of the State Transportation Commission and state transportation department, and for the appointment, powers, and duties of the state transportation director. Specifically, the bill would amend Section 3 of the act to eliminate the requirement in current law that each commissioner obtain a $25,000 surety bond "*conditioned upon the faithful discharge of the duties of his or her office, the premium to be paid from the state transportation fund.*"

Article 5, Section 28, of the 1963 Michigan Constitution established a state transportation commission "which shall establish policy for the state transportation department transportation programs and facilities, and such other public works of the state as provided by law."

Fiscal Impact – House Bill 6605 would eliminate the requirement of current law that members of the state transportation commission obtain a $25,000 surety bond and that the bond premium be paid from the *state transportation fund*. We do not know if the state has ever had to make a claim against a commissioner's surety bond, or under what circumstances such a claim would be made. The bill would reduce state costs to the extent that it would eliminate related surety bond premium costs. Although the act references "state transportation fund," the costs would currently be charged to the *state trunkline fund*.

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■ 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.