



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bills 674 through 679 (as reported without amendment)

Sponsor: Senator Jim Barcia (S.B. 674-676)

Senator Alan L. Cropsey (S.B. 677-679)

Committee: Economic Development and Regulatory Reform

CONTENT

The bills would amend Public Act 233 of 1955, which provides for the incorporation of municipal authorities to acquire, own, improve, and operate sewage disposal systems, water supply systems, and solid waste management systems, to provide for Indian tribes to enter into contracts under the Act.

Senate Bill 674 would allow an Indian tribe 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. The Act allows an authority created under it, and any of the authority's constituent municipalities, to 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 up to 40 years. The bill would refer to each contracting municipality or Indian tribe.

Senate Bill 675 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.

Senate Bill 676 would allow an authority and an Indian tribe to contract for the furnishing of water, sewage disposal, or waste management services, or a combination of those services, by the authority to the Indian tribe. Currently, an authority and any constituent or nonconstituent municipality of the authority may contract for those services.

Under the Act, 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 would require an Indian tribe wishing to enter into a contract with an authority, to authorize the execution of the contract by resolution of its governing body, as currently required of a municipality desiring to enter into a contract.

Senate Bill 678 specifies that rules and regulations promulgated under the Act would be enforceable by Indian tribes that contracted with an authority. Currently, rules and regulations are enforceable by an authority, its constituent municipalities, and municipalities that have contracted with the authority for the furnishing of services.

The Act allows municipality to exercise its enforcement powers against a violator in territory under its jurisdiction. The bill would refer to a municipality or Indian tribe.

Senate Bill 679 would include Indian tribes in provisions concerning the discontinuation and restoration of service. 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.

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.

Date Completed: 8-11-09

Fiscal Analyst: David Zin