
Detailed Fiscal Analysis

Township authority to assess for electrical utility relocation

The bill authorizes townships, upon petition of township residents, to relocate overhead electrical utilities and pay for these projects by assessing the property owners who benefit from the improvements. The bill also allows for townships to collect interest on any unpaid assessments. The bill further specifies that, if part of an electrical utility relocation project benefits the township generally, then a portion of the costs may be paid from township general funds. Under current law, townships are responsible for these costs and thus bear the entire cost of such utility projects. By allowing townships to assess benefiting property owners for utility relocation projects, the net fiscal effect of the bill would be to reduce township general fund expenses for such public improvements.

Interest on unpaid assessments

Although the bill also allows a township to waive assessments for parts of an electrical utility relocation project that are deemed to be of general benefit to the township, instead having that share paid from township general funds, interest due on unpaid assessments may not be waived. The interest on unpaid assessments must be based on the current prime rate. As of this writing, the prime rate is 5.25%. In a conforming change to current law regarding interest owed on unpaid street light assessments, the bill states that interest owed on these types of projects also cannot be paid from township general funds.

Hearings

The bill also requires townships to schedule and give notice to the affected landowners of hearings concerning petitions to undertake overhead cable and wire relocation. These hearings must be held not more than 30 days after the trustees are notified, which could result in some minimal new administrative costs if no such other township hearings were scheduled during this timeframe.

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