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A Legislative Update for Township Officials

State budget still unsettled



John Daher, Lansing Charter Township supervisor, speaks at the Oct. 22 "Revenue Sharing Rally" at the state Capitol. (See "Rally" article.)

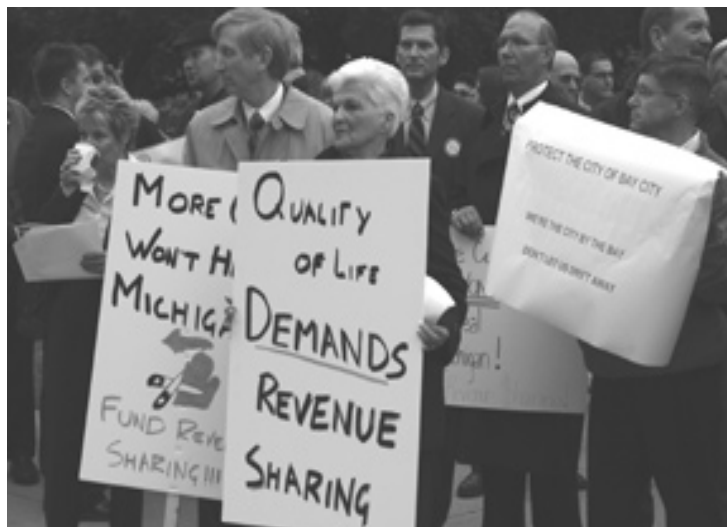
The threat of at least a partial state government shutdown remains as several budgets are unresolved with just a week before the new Oct. 31 deadline. The Legislature bought extra time back on Oct. 1 to get a long-term budget agreement but continued posturing between the governor and leadership in the Senate has kept the budget logjam in place. The general government budget, which includes appropriations for revenue sharing payments, remains in limbo.

In what appears to be a high stakes game of budget chicken, the Senate was holding up the presentation of six budget bills to the governor, through a procedural move, because the governor was making threats of vetoing portions of the bills due to the severity of cuts. After holding the bills for almost three weeks, Senate Majority Leader Mike Bishop (R-Rochester) finally released the bills on Tuesday, Oct. 20 for the governor's signature. The governor also recently acted on the K-12 budget by vetoing \$51.5 million of it, stating she had no choice because the Senate sent her a budget that was \$60 million short in funding. The theory is that with a week before the new budget deadline, the Legislature still has time to approve budgets with higher funding levels.

One of the six unsettled budget bills is the general government budget

that contains revenue sharing and payments-in-lieu-of-taxes (PILT) for local governments. As approved, this budget contains a 19 percent cut in statutory revenue sharing and an 11 percent cut to the combined total of all statutory and constitutional revenue sharing amounts. It also contains a projected 5 percent cut in constitutional revenue sharing. Constitutional amounts are based solely on the amount of sales tax revenue collected by the state. Cuts in PILT would be 12 percent. The governor has made statements that she believes cuts to revenue sharing (police and fire protection) are too severe. If the governor were to line-item veto revenue sharing, it would eliminate all statutory revenue sharing funding for townships, cities, villages and counties. The theory, again, would be to force the Legislature to go back to work on a higher funding amount. Higher funding amounts would also require approval of new state revenues. ■

A rally for revenue sharing and public safety



Marilyn "Micki" Hoffman, Grand Blanc Charter Township supervisor, makes the point that revenue sharing helps to provide "Quality of Life" services in our townships.

Township, city and village officials, police officers and firefighters gathered in front of the state Capitol on Thursday, Oct. 22, to urge the governor and Legislature to restore revenue sharing funding. The mes-

Rally continued on page 2

sage at the rally came as a warning: public safety in Michigan will be at greater risk unless the Legislature and governor restore deep revenue sharing cuts for FY 2010. Revenue sharing cuts over the past eight years have resulted in layoffs of more than 1,800 police officers and 2,400 firefighters in Michigan.

John Daher, supervisor of Lansing Charter Township, spoke on behalf of townships at the rally. He stated, "Decisions being made in the Michigan Legislature are a threat to the safety of all communities in Michigan, and constituents will know where the blame lies when their communities are threatened." He said constituents should know that police and fire layoffs and communities pushed into insolvency are a direct result of the decisions made by this Legislature.

MTA would like to thank the following state representatives who attended the revenue sharing rally: Joan Bauer (D-Lansing), Fred Durhal (D-Detroit), Mike Huckleberry (D-Montcalm Twp.), Mike Lahti (D-Hancock) and Coleman Young II (D-Detroit). ■

Mobile home inspections by local governments

The Michigan House was expected to address House Bill 4801 on the floor of the House in late October. The bill, sponsored by Rep. Bob Constan (D-Dearborn Heights), would allow local governments to expand their rental housing inspections to include rented mobile homes. The bill amends the Mobile Home Commission Act to specify that a local government could inspect a mobile home for safety (whether it is located within or outside a mobile home park or a seasonal mobile home park) if the mobile home being inspected is being rented to a tenant by its owner. The period between inspections could not be longer than four years. The bill was approved by the House Intergovernmental and Regional Affairs Committee in June. ■

Committee reports AV electronic ballot bill for military and overseas voters

On Oct. 21, the House Ethics and Elections Committee reported legislation to the House floor that would allow clerks the ability to provide electronic absentee voter (AV) ballots to members of the military and to overseas voters. House Bill 5279, as introduced by Rep. Vincent Gregory (D-Southfield), would allow a county, city, village or township clerk to transmit an AV ballot to an applicant's electronic mail address and would have the secretary of state establish rules on how that ballot is returned to the county, city, village or township clerk.

The legislation is an effort to address the timeliness of overseas AV ballots being returned to local clerks on or before Election Day to ensure the ballots are counted. Similar legislation is making its way through Congress that would provide for members of the armed services and overseas voters to choose whether to receive their ballot by regular mail or electronic mail for federal elections.

HB 5279 is likely to see significant changes before it is voted upon on the House floor. The Secretary of State's Bureau of Elections has suggested a substitute for HB 5279, which would outline mostly in state statute, rather than through rules, how the process would work. This version would allow a county, city, village or township clerk to electronically transmit a blank AV ballot application to a military or other overseas voter upon request. Following receipt of the application, the county, city, village or township clerk would then electronically transmit an AV ballot not less than 45 days before an election to the voter. The voter would then return by mail the completed AV ballot to the city or township clerk for processing.

While MTA supports the effort to ensure that military and overseas voter's AV ballots are counted, it does have some concerns about the proposed inclusion of county clerks in the process. Currently, it is only the local clerks (city, village and township) that provide AV ballots to voters. By opening up the process to county clerks, there may be some confusion as to whose responsibility it is to send the electronic AV ballots. MTA has suggested that issuing ballots should remain at only the local clerk level but does recognize that there may be two instances where county clerks should have the authority to electronically transmit ballots.

Those two instances would be where a local clerk (city, village or township) does not have the means to electronically transmit the AV ballot application or ballot to the military or overseas voter. The other situation would be in very limited situations where a county clerk is serving as the school district election coordinator and is authorized to mail AV ballots. Usually, even in the case where the local clerk has declined to run a school election, that local clerk is still responsible for distributing, receiving and processing AV ballot applications and ballots. However, in a few situations around the state it is actually the county clerk serving as the school district election coordinator who sends out the AV ballot. The ability of the county clerk to send out AV ballots for school district elections in these situations should be maintained.

MTA will continue to work to improve HB 5279 as it moves through the legislative process. ■



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Governor signs wetlands legislation

Gov. Jennifer Granholm has signed Senate Bill 785 into law, which will keep wetland jurisdiction under the Department of Environmental Quality (DEQ) rather than sending it to the U.S. Army Corps of Engineers. The bill now becomes Public Act 120 of 2009.

Earlier this year, the governor had suggested moving wetland regulation authority from the DEQ to the U.S. Army Corps of Engineers as a cost-savings measure to spare \$2.1 million of the cost of the program from the state's general fund. To accompany this move, the governor had recommended the repeal of Part 303 (the Wetlands Protection Act) of the Natural Resources and Environmental Protection Act to eliminate an unenforceable statute. However, it is Part 303 that gives townships and other local units of government the authority to have their own local wetland ordinance.

SB 785, introduced by Sen. Patty Birkholz (R-Saugatuck Twp.), would fund the wetland program for the next three years through the state bottle deposit fund and would streamline approvals of wetland permits in certain situations. While separate legislation is needed to appropriate money from the state bottle deposit fund, the legislation is well underway and will likely be enacted by the time you are reading this article.

SB 785 creates general permits and minor permits categories for certain types of wetland projects that might otherwise be subject to an individual permit and allows for expedited review under these two categories. The legislation also requires that the state and local units with wetland ordinances refer to the 1987 edition of the *Corp of Engineers Wetlands Delineation, Technical Report Y-87-1* and appropriate regional U.S. Army Corps of Engineers supplements in determining wetland boundaries. This report uses hydric soils in addition to vegetation and hydrology as a determinant in whether or not a parcel contains wetlands. While most local ordinances already utilize hydric soils in their wetland delineation, those that do not will likely see some added training costs and review time.

The legislation also creates two pilot programs. One would test the approach of using local units of government, conservation districts and non-profit organizations to assist the DEQ in the administration of the wetland program. The other would set up pilot projects in two counties with a population greater than 500,000 (Wayne, Oakland Macomb and Kent) to help foster the creation and enhancement of mitigation banks. Which local units of government will be involved in these pilot programs will be determined by the DEQ director.

Among the other key aspects of the new law is the creation of the Wetland Advisory Council. The Wetland Advisory Council will look at key aspects of PA 120 and make recommendations back to the Legislature on how the streamlined process is working and whether or not changes need to be made to the program in the future.

Of utmost importance is that the ability of local units of government to maintain and create local wetland ordinances is not altered by the new law. To review the complete new public act, please visit <http://www.legislature.mi.gov/documents/2009-2010/billenrolled/Senate/pdf/2009-SNB-0785.pdf>. ■

House considers legislation to extend hours of liquor sales



The House Appropriations Committee reported legislation in October that would allow establishments that sell alcohol either by the glass or packaged to extend their operational hours if they purchase an additional license from the state. The legislation is one concept being floated at the state level to increase state revenues.

House Bill 5056 is offered by Rep. Richard Hammel (D-Flushing). In particular, the legislation would allow bars and retail establishments to sell alcohol until 4 a.m. instead of the normal closing time of 2 a.m. The legislation would also allow for the sales of alcohol on Sunday morning from 7 a.m. until noon. In each case, the proprietor is required to acquire an additional license at a cost of \$1,500 for either the late night extension or the Sunday morning extension or \$3,000 for both.

The legislation provides townships the final say on any extended operational hours that occur in their community. First, any community that currently does not allow Sunday sales within their community would automatically mean that Sunday morning sales would not be considered in that community. If a township decided not to allow the extended sales under any circumstance, a resolution could be adopted in opposition to late night sales, Sunday morning sales or both. Once this resolution is filed with the state, all applications from the community would automatically be rejected. Finally, if a community does not act on the issue, any application that comes from the community would need approval of the township board. This would allow for a specific evaluation of how the change in operational hours would likely impact the neighborhood.

It is anticipated that most applications for Sunday sales would come from grocery stores and potentially restaurants that serve Sunday brunches. The late night sales could come from virtually any establishment. Most observers conclude that law enforcement issues are likely to be much more pronounced with the sales until 4 a.m.

This type of legislation has been considered in the past, however, earlier versions contained much less local control over the issuance of the license. Rep. Hammel has expressly stated his concern that locals must be a full partner in the issuance of these special licenses. ■



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New CPI numbers released; no inflationary increase



The numbers are in and the calculations have been made, it is now official: inflation for the last year was in the red. The State Tax Commission has announced that the official inflation factor to be used for calculating taxable values for the coming year is -0.3 percent. A negative inflation factor has never been used before in calculating the value of property for purposes

of taxation. This comes one year after the state experienced the highest inflation factor ever used to calculate taxable values under Proposal A, 4.4 percent. The large swing can primarily be accounted for with the huge increase in fuel prices a year ago compared to the more moderate prices that have occurred in the past 12 months.

The negative number means that the taxable value on every individual piece of property in the state must be reduced by a minimum of 0.3 percent. The only exception to this scenario would be pieces of property that transferred ownership in the past year and that still had a difference between the taxable value and state equalized value or property where construction has occurred. In many instances, the taxable values will likely decrease much more than the 0.3 percent because of overall declines in the market.

In the current year, many communities saw some stability in their property tax revenues based on some properties seeing an increase in taxable values of 4.4 percent, offsetting other parcels that were seeing real declines. The controversy from last March of citizens complaining about taxes going up while values of property were going down should not reoccur this spring. Instead, all local governments will need to plan for real drops in property tax revenue for next year. Regular conversations with your assessor should be taking place to keep well informed on how the new assessments will impact your township's operations in the coming year. ■

Registration deadline fast approaching for FREE MTA candidate informational seminar

MTA is planning its biannual candidate informational seminar on Friday, Dec. 11, at the MTA office from 9:30 a.m. to 3 p.m. The seminar is geared towards township officials who are or may be considering a run for state legislative seats in 2010 or beyond.

The seminar will highlight various aspects of how to run a successful

campaign. Technical experts will address such issues as how to organize a campaign, campaign message development, finance and campaign reporting requirements, PAC and association support, utilizing today's technology, mailing rules and regulations, and fundraising.

It's increasingly more important to have people serving in the Legislature with a local government perspective. We hope that if you are considering running that you will sign up TODAY for the seminar. SPACE IS LIMITED!

The registration deadline is Tuesday, Dec. 1. Those interested in attending this FREE seminar should contact Tom Frazier at (517) 321-6467 or tom@michigantownships.org. ■