

Michigan Township Focus

MAY 2014

OFFICIAL PUBLICATION OF THE MICHIGAN TOWNSHIPS ASSOCIATION

LAND BANKS: Improving communities, improving the economy

It's time for an EVIP overhaul
page 3

Township vacancies affected
by new election law
page 12

Two townships named 'safest
communities' in Michigan
page 24



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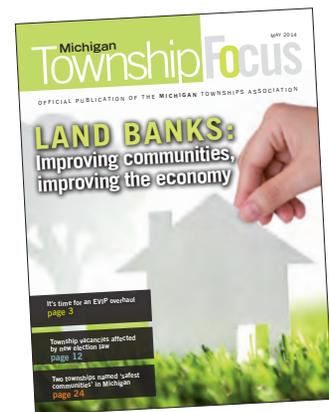
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contents

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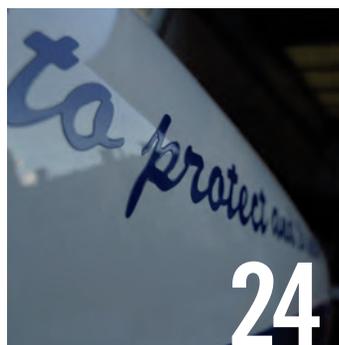
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mission statement

The Michigan Townships Association promotes the interests of township government by fostering strong, vibrant communities; advocating legislation to meet 21st century challenges; developing knowledgeable township officials and enthusiastic supporters of township government; and encouraging ethical practices of elected officials who uphold the traditions and unique characteristics of township government and the values of the people of Michigan.



featured articles

14 Land banks: Improving communities, improving the economy

Land banks are being used statewide to reverse the tide of property deterioration and abandonment that is threatening our communities. How could land banks help your community—and how can townships get involved?

24 Safe and sound: Two townships named safest places to live

Public safety is a key factor when residents and businesses consider where they want to put down roots. Two townships recently topped the list of 'Top 10' safest communities in the state.

in this issue

3 Local View

4 News & Notes

10 Hello, MTA ... ?

12 Inside Lansing

20 Financial Forum

21 Knowledge Center

26 Legal Review

28 Around the State



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Call it revenue sharing or EVIP— It's way overdue for an overhaul

Gov. Rick Snyder proposes increasing statutory revenue sharing (Economic Vitality Incentive Program, or EVIP) by about \$36 million, to \$271.84 million in FY 2014-15. With more than 51 percent of Michigan's population, one might expect townships to receive something in the nature of, say, \$135 million.

Well, township EVIP funding falls a bit short of a fair share. Townships get a shade under 1 percent, or a paltry \$5.09 million. Only 34 townships—just 3 percent—receive any EVIP dollars at all, while 84 percent of cities and villages receive the rest (minus \$300,000 for state administrative expenses).



Why are townships treated so poorly? When statutory revenue sharing began in the 1960s, townships were generally considered rural and sparsely populated; cities and villages were by definition deemed more needy of state assistance. Today, while proponents of maintaining the revenue sharing status quo continue to rely on that argument, contemporary township services, responsibilities and population growth compel lawmakers to reconsider if the original intention of statutory revenue sharing remains valid a half-century later. As townships' share of Michigan's population has swelled from 34 percent to more than 51 percent, the distinction between many cities and townships are irrelevant as to their worthiness for state financial support.

The revenue sharing distribution criteria needs to reflect 2014, not 1971, and Rep. Earl Poleski (R-Jackson) and Sen. John Pappageorge (R-Troy) are leading reforms to let more communities qualify for financial support. Poleski would distribute new funds on a per-capita basis, while Pappageorge would resurrect a distribution formula adopted in 1999 but scrapped a few years later to allow annual diversions of revenue sharing to fund state programs. Thresholds would disqualify small entities under both plans.

For many reasons, state revenue sharing has to remain a significant source of local government funding. From 2009 to 2012, local governments lost \$1.1 billion in revenue while the state gained \$1.2 billion, according to the Citizens Research Council of Michigan (CRC). As lawmakers boast a state budget surplus, Michigan's local governments—compared

to those in other states—struggle with revenues uniquely constrained in scope and stringency. "Michigan's system of sharing state revenues with local governments is very much a direct byproduct of these constraints and not necessarily the result of state government's willingness to share its resources with sub-state entities," noted the CRC in its 2012 report, *Using State Shared Revenues to Incentivize Local Government Behavior*.

No Michigan local governments are more constrained in their revenue authority than townships, by their constitutional and statutory caps on property tax millages, no income tax authority, and no eligibility for state transportation funds.

Lawmakers should also be concerned that Michigan's property tax burden has increased back to 15th nationally. Revenue sharing cuts have necessitated property tax millage increases to maintain local services and to shore up failing roads resulting from inadequate state transportation funding.

Proponents of the revenue sharing status quo contend that cities should be compensated for township residents who "free ride" on city services. Try telling township officials dealing with interstate highway auto accidents, rowdy tourists or daily commuter traffic that only cities and villages are burdened by non-residents. Every township also funds emergency services, and collectively they spend approximately \$160 million every year on roads.

It makes sense for the state to use its sales tax collection system not only for its own benefit, but for the benefit of local governments as well, to avoid duplication of effort and promote government efficiency, but without creating winners and losers.

The revenue sharing—or EVIP—debate must achieve fairness to *all* Michigan taxpayers, regardless of the form of government in which they live, incentivize local government actions that serve the common good, and achieve consensus as to how the state and local governments work together to ensure that quality local government services and amenities are the norm anywhere in Michigan that one lives or visits.

Larry Merrill

UP IN THE SKY

Townships' role in fireworks regulation and permits

The Fourth of July is coming—and with it, of course, will be fireworks displays lighting up the skies in townships across the state.

The Michigan Fireworks Safety Act (Public Act 256 of 2011, MCL 28.451, *et seq*) legalized the sale and use of consumer fireworks—such as aerials, roman candles, bottle rockets, helicopter/aerial spinners, and other items that leave the ground. The 2012 law also limited some aspects of local fireworks regulations.

WHAT CAN TOWNSHIPS REGULATE?

A township may enact an ordinance incorporating standards for the competency and qualifications of operators for articles pyrotechnic and display fireworks, including time, place and

safety aspects of the display of such fireworks, as part of the permit-granting process. National Fire Protection Association fireworks standards should be used. (MCL 28.466) Such an ordinance could be required by the township's insurance carrier as a condition of fireworks liability insurance.

The Federal Safe Explosives Act

requires any person who receives explosive materials, including display fireworks, to have a license or permit from the federal Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). The act mandates inspections of applicants for new display fireworks licenses or permits, as well as inspections of existing licensees or permits. Townships may be contacted by ATF investigators during these inspections to determine compliance with state and local requirements.

A township *cannot* regulate or adopt an ordinance specifically regulating the sale, display for sale, storage, transportation or distribution of fireworks that are regulated by PA 256—consumer fireworks and low-impact fireworks. (MCL 28.457)

A township *may* enact an ordinance regulating—including prohibiting—the ignition, discharge and use of consumer fireworks. As amended by PA 65 of 2013, MCL 28.457 now provides that such an ordinance can regulate or prohibit the use of consumer fireworks on the day before, day of or day after a national holiday—including Christmas Day, New Year's Day and the Fourth of July—in the following ways:

1) In a township with a population of 50,000 or more or a township located in a county with a population of 750,000 or more, an ordinance may regulate the ignition, discharge

or use of consumer fireworks between the hours of 12 midnight and 8 a.m., or between the hours of 1 a.m. and 8 a.m. on New Year's Day.

(2) In a township with a population of less than 50,000 located in a county with a population of less than 750,000, an ordinance may regulate the ignition, discharge, or use of consumer fireworks between the hours of 1 a.m. and 8 a.m.

DO TOWNSHIPS STILL ISSUE DISPLAY PERMITS?

Yes. PA 256 refers to fireworks “displays” in two ways. One relates to the display of fireworks for sale—which townships *cannot* regulate. The more commonly understood use of “fireworks display” refers to the ignition, discharge and use of display fireworks or “articles pyrotechnic for proximate display”—such as a Fourth of July display. Townships are still responsible for issuing permits for public or private displays of these two types of fireworks. All such permits must be obtained from the township where the fireworks will be displayed. Any fees charged for these permits are retained by the township.

Fireworks application and permit forms are provided only to the township (the local permitting authority), and are available only from the state Bureau of Fire Services. Each year, the township supervisor or clerk must contact the Bureau of Fire Services via email at fireworks@michigan.gov to request the current permit forms.

For more resources, visit MTA's Fireworks Regulation Web page at www.michigantownships.org/members.

BY THE NUMBERS

New Census figures show 2013 county population changes

Some 35 Michigan counties saw population increases from 2012 to 2013, according to recent figures released by the U.S. Census Bureau. Most counties in the state—48—showed population declines, however, according to the figures.

Ottawa County boasted the highest percentage of growth of any Michigan county, with 1.25 percent growth between 2012 and 2013, adding 3,372 people for a total population of 272,701. Oakland County had the largest overall growth in terms of numbers, adding 10,997 people to a total of just over 1.2 million. Oscoda County saw the largest percentage drop in population, by 2.4 percent to 8,379 people.

Michigan's population as a whole increased by just over 13,000, to more than 9.985 million.



ATTORNEY GENERAL OPINIONS

AG issues opinions on LDA, building official/inspector fees for veterans

Attorney General Opinion 7276, issued March 11, 2014, in response to an inquiry from Sen. Geoff Hansen (R-Hart Twp.).

Summation: By its terms the Land Division Act, MCL 560.101, *et seq.*, does not preempt the broad authority granted townships under the Michigan Zoning Enabling Act (MZEA), MCL 125.3101, *et seq.*, and MCL 41.181 to adopt ordinances that regulate lands also subject to the Land Division Act. A township may thus adopt ordinances regulating parent parcels or parent tracts remaining after a land division, or parcels affected by adjacent land transfers.

The Land Division Act, MCL 560.101, *et seq.*, authorizes a township to adopt depth-to-width ratios smaller than those imposed by the act, with the exception that

the application of depth-to-width ratios to the remainder of a parent parcel or parent tract is prohibited by the act. MCL 560.109(1)(b) Further, a township may adopt depth-to-width ratios applicable to lands affected by adjacent land transfers under generally applicable township land use ordinances adopted pursuant to its statutory authority under the MZEA and MCL 41.181.

A local ordinance that does not substantively change the meaning of “exempt split” as defined in section 102(e), MCL 560.102(e), and does not otherwise conflict with the Land Division Act, is not preempted by the act.

Attorney General Opinion 7277, issued March 20, 2014, in response to an inquiry from Rep. George Darany (D-Dearborn).

Summation: Public Act 314 of 2012, which amended the Building Officials and Inspectors Registration Act, MCL 338.2301, *et seq.*, requires the State Construction Code Commission to waive fees for building officials, plan reviewers and inspectors, including building inspectors, who are honorably discharged veterans.



LOCAL UPDATES FROM ACROSS MICHIGAN

Township happenings

Thanks to a nearly \$1,500 Fire Assistance Grant from the Michigan Department of Natural Resources, the **Alpena Township** (Alpena Co.) Fire Department will be able to purchase some needed equipment, including jumpsuits, boots and gloves.

Plainfield Charter Township (Kent Co.) is hosting a community contest to name a new township park. Residents can also submit logo designs as part of the contest. Among the planned amenities for the new park, which already contains mountain biking trails, are a sledding hill, soccer fields, a BMX bicycle track and archery range.

Wilber Township (Iosco Co.) has launched a website, www.wilbertownship.com, offering residents digital access to meeting notices and minutes, ordinances, contact information for township officials and board and committee members, election information and an events calendar, among other information. Township Clerk **Robert White** and Trustee **Mary Pingot** were pivotal to the project.

Zeeland Charter Township (Ottawa Co.) will break ground this summer on a new 12,500-square-foot public safety building, which will include three bays for fire trucks, fire department administrative offices, an office for the township’s contracted sheriff’s deputy and an emergency operations center.

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MTA BOARD MEMBERS IN THE NEWS

Merchant appointed to STC advisory committee

2014 MTA President **Doug Merchant** has been appointed to the Michigan State Tax Commission’s (STC) Certification Advisory Committee. Merchant, **Arcada Township** (Griatiot Co.) supervisor and assessor, also serves as assessor for **Bethany** and **Pine River Townships** (Griatiot Co.). He has been a certified assessor for more than 20 years.



Merchant

The advisory committee, which meets both in person and via virtual meetings throughout the year, approves waivers and continuing education programs, and makes the recommendations to the STC on assessor certification levels.

Mansfield named Traverse City ‘Community Champion’

MTA Second Vice President **Doug Mansfield** was recently named a “Community Champion” by Traverse City Tourism, in recognition of his efforts to showcase the Grand Traverse region and help bring new events to the area.



Mansfield

Mansfield, supervisor of **Union Township** (Grand Traverse Co.), was recognized for his work in helping to bring MTA’s Annual Educational Conference & Expo to the area in 2014—the first time in the Association’s 60-year history that it has held the event in northern Michigan.

mta events | may

1	MTA’s 2014 Legislative Advocacy Day, Lansing
6	MTA Triple-Header: <i>What Is Your Investment IQ?</i> , <i>Legal Matters</i> & <i>ABCs of ZBAs</i> workshops, Big Rapids
7	MTA Triple-Header: <i>What Is Your Investment IQ?</i> , <i>Legal Matters</i> & <i>ABCs of ZBAs</i> workshops, Gaylord
9	MTA Triple-Header: <i>What Is Your Investment IQ?</i> , <i>Legal Matters</i> & <i>ABCs of ZBAs</i> workshops, Frankenmuth
20	MTA Triple-Header: <i>What Is Your Investment IQ?</i> , <i>Legal Matters</i> & <i>ABCs of ZBAs</i> workshops, Battle Creek
28	MTA <i>On The Road</i> regional meeting, Gaylord
29	MTA <i>On The Road</i> regional meeting, Alpena
30	MTA <i>On The Road</i> regional meeting, West Branch
31	MTA Robert R. Robinson Memorial Scholarship deadline

Database allows members to keep MTA profile up-to-date, access online directory

Ensure that your township’s important MTA resources and information are coming to the correct person and address by helping MTA keep its database up-to-date with your current contact information.

MTA-member officials can directly update their profile information via our website, www.michigantownships.org. Simply log in to members-only portion of the website using your email address on file with MTA and password. After logging in, select “My Profile” under the “My MTA” tab to get started. *(Not sure of your password? Select the “Forgot Your Password?” link on the log-in page. Enter your email address on file with MTA, and you will be sent a link to create a new password. Contact website@michigantownships.org for assistance.)*

Got a new township board member? The township clerk can make adjustments to the profile information—including adding a new official whenever a new township official joins the board, or marking a former official for removal from the database. *(When adding a new official, be sure not to overwrite the former official’s information with the new official’s name and information. Contact MTA with questions.)* These efforts will help ensure that the right information goes to the right person.



Keeping up-to-date information—including your email address—on file with MTA is critical to ensure you are getting the most out of your Association membership. If we have the incorrect email address, you are missing out on valuable information found in our electronic newsletters, as well as notices about educational seminars, important legislative action and other opportunities for you!

Changes can also be submitted to MTA at database@michigantownships.org, by calling (517) 321-6467 or faxed to (517) 321-8908.

As another added feature of MTA’s database, MTA members also have access to an online directory of township officials, which can be searched by last name, township or even title. To access this networking tool, after logging in to the members-only section, click on “My MTA,” then “Directories.”

An updated print version of the *Michigan Township Officials Directory* is now available for purchase. The print *Directory* includes a township listing (by county), as well as separate listings for each township office. Member price is \$30; \$45 for non-members. To order, visit the MTA Store on www.michigantownships.org or call (517) 321-6467. PDFs of the *Directory* are also posted online for member officials to access, download or print.

Robinson Scholarship deadline is May 31

Spread the word to students in your township about MTA's Robert R. Robinson Memorial Scholarship. The May 31 application deadline is almost here!

The scholarship is a one-time award determined on a competitive basis by the applicant's academic achievement, community involvement and commitment to a career in local government administration.

Ensure students in your area know about the scholarship! Post a link on your township website to www.michigan-townships.org/scholarship.asp. Need more information? Call (517) 321-6467.

HELP WANTED

Police Officer—Green Oak Charter Township (Livingston Co.) is seeking qualified candidates for the position of full-time police officer. Located in the southeast corner of Livingston County, the jurisdiction is approximately 35 square miles and shares borders with Oakland and Washtenaw Counties.

Qualifications/requirements include: associate's degree in law enforcement, criminal justice, public administration, or a related field, with a bachelor's degree preferred; must be certified, certifiable as a police officer by MCOLES, or currently attending a MCOLES certified training academy; must be a U.S. citizen; must be 21 years of age at the time of appointment; vision must be correctable to 20/20; must be in good physical condition as determined by a medical examination administered as part of the selection process; must successfully complete all phases of the selection process prior to appointment (written examination(s), background investigation, interview, psychological evaluation, medical examination, and drug test); no felony convictions and/or disqualifying criminal histories; and must possess, or be able to obtain at the time of hire, a valid state driver's license.

Accepting applications and resumés at the Green Oak Charter Township Hall, 10001 Silver Lake Rd., Brighton, MI 48116. Applications are available only at the township hall. Completed application and application materials must be submitted to the attention of Township Clerk Michael Sedlak by 4 p.m., Tuesday, May 27, 2014. For additional information, visit www.greenoaktwp.com.

Green Oak Charter Township is an equal opportunity employer.

Zoning Administrator—Saugatuck Township (Allegan Co.) will be hiring a part-time zoning administrator with planning responsibilities. Starting pay will be \$25,000-\$40,000, depending on experience, without benefits. A full job description is available at www.saugatucktownship.org or by contacting the clerk's office at (269) 857-7721. Submit a cover letter and resumé to the attention of Saugatuck Township Clerk's Office, 3461 Blue Star Hwy., Saugatuck, MI 49453. Resumés will be accepted until May 30, 2014, at 4 p.m.

Want to place a classified ad in *Township Focus* or on www.michigantownships.org? Contact Ashley Maher at ashley@michigantownships.org or (517) 321-6467, or visit www.michigantownships.org/aboutclassifieds.asp for details.

profile



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Electrical substation safety awareness

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throughout Michigan's Lower Peninsula. Transmission substations tend to be larger than distribution (local utility) substations and are identified with the ITC logo and the name of the substation. Because of the high voltages inside, substations can present serious potential hazards.

ITC conducts regular preventive maintenance on its substations, but mechanical problems or equipment failure can happen. Indicators of substation equipment problems include fire, smoking equipment, unusually loud buzzing, visible arcing or flashing, burn marks on fencing or equipment, or oil running down or around equipment.

Substation safety hazards could include open gates, openings in fencing, unauthorized personnel near or inside the substation, or downed wire in, on or near the substation.

Anyone witnessing any of these hazards should contact ITC at one of the phone numbers listed below. Emergency responders must gain authorization from ITC to enter any substation or fenced areas containing ITC equipment—even during emergency situations—in order to be provided safe escorted access. It's difficult to recognize the difference between energized and de-energized equipment, so everything inside a substation should be considered dangerous.

EMERGENCIES 866-482-3637

- Fire in or near substations
- Downed transmission lines
- Injured person in a substation requiring immediate medical attention

NON-EMERGENCIES 877-482-4829

- Resident concerns
- Vegetation questions

SECURITY COMMAND CENTER 248-380-2920

- Theft or damage to ITC property
- Trespassing issues

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Advertisorial

MAY

By 1 Public accuracy test must be conducted for May 6 election. (R 168.778) Notice of test must be published at least 48 hours before test. (MCL 168.798)

1 Deadline for filing the Farmland Exemption Affidavit (Form 2599) with the local assessor if the property is not classified agricultural or if the assessor asks an owner to file it to determine whether the property includes structures that are not exempt.

Deadline for filing a Principal Residence Exemption (PRE) Active Duty Military Affidavit to allow military personnel to retain PRE for up to three years if they rent or lease their principal residence while away on active duty. (MCL 211.7dd)

3 Electors who wish to receive an absentee voter ballot for May 6 election by mail must submit application by 2 p.m. (MCL 168.759)

5 Electors qualified to obtain an absentee voter ballot for May 6 election may vote in person in clerk's office until 4 p.m. (MCL 168.761)

Deadline for filing official county board of commissioners report of county equalization (Form L-4024) with the State Tax Commission (STC). (MCL 209.5) Appeal from county equalization to Michigan Tax Tribunal (MTT) must be filed within 35 days after the adoption of the county equalization report. (MCL 205.735(3))

Deadline for assessor to file tabulation of taxable valuations for each classification of

property with the county equalization director on STC Form L-4025 to be used in Headlee calculations. (MCL 211.34d(2))

6 Election. Emergency absentee voting until 4 p.m. (MCL 168.759b)

By 10 Clerk forwards copies of Affidavit of Identity forms filed by candidates for county convention (precinct) delegate received prior to Jan. 1, 2014, to county clerk. (MCL 168.624) *Note: Candidates file directly with county clerk after Jan. 1, 2014, per PA 276 of 2012.*

12 Boards of county canvassers meet to canvass May 6 election. (MCL 168.821)

By 13 Ballot wording of county and local proposals to be presented at Aug. 5 primary election certified to county and local clerks; local clerks receiving ballot wording forward to county clerk within two days. (MCL 168.646a)

15 Deadline for the state to prepare the annual assessment rolls for state-assessed property, such as telephone companies and railroads. (MCL 207.9(1))

27 *Fourth Monday in May.* Final state equalization order is issued by STC. (MCL 209.4)

30 If, as a result of state equalization, the taxable value of property changes, the equalization director shall revise the millage reduction

fractions by the Friday following the fourth Monday in May. (MCL 211.34d(2))

By 31 Boards of county canvassers complete examination of all ballot containers used in county. (MCL 168.24j)

31 Appeals of property classified as commercial real, industrial real, development real, commercial personal, industrial personal or utility personal must be made by filing a written petition with the MTT. (MCL 205.735a(6))

After May 30 and before June 4. Last day for allocation board hearing (not less than eight days or more than 12 days after issuance of preliminary order). (MCL 211.215)

JUNE

1 Deadline for filing Principal Residence Exemption Affidavits (Form 2368) for exemption from the 18-mill school operating tax to qualify for a PRE for the summer tax levy. (MCL 211.7cc(2))

Deadline for filing the initial request of a Conditional Rescission of PRE (Form 4640) for the summer tax levy. (MCL 211.7cc(5))

Deadline for filing for Foreclosure Entity Conditional Rescission of a PRE (Form 4983) to qualify for the summer tax levy. (MCL 211.7cc(5))

Assessment roll due to county treasurer if local unit is not collecting summer taxes. (MCL 211.905b(6)(a))

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Not later than June 1. Requests are due from a brownfield redevelopment authority, tax increment finance authority, local development financing authority or downtown development authority for state reimbursements of tax increment revenue decreases as a result of the Michigan Business Tax reduction in personal property taxes. Public Acts 154-157 of 2008.

By 2 *By the first Monday in June.* Deadline for notifying protesting taxpayer in writing of board of review action. (MCL 211.30(4))

On or before the first Monday in June. County equalization director calculates current year millage reduction fractions including those for inter-county taxing jurisdictions. The completed, verified STC Form L-4028 is filed with the county treasurer and the STC. (MCL 211.34d(3))

By 5 Post-election campaign statements filed (books closed May 26).

6 Final date townships can establish, move or abolish a polling place for Aug. 5 primary. (MCL 168.662)

9 Allocation board must issue final order not later than the second Monday in June. (MCL 211.216)

15 Deadline for the assessor's report to the STC on the status of each neighborhood "homestead" exemption granted under the Neighborhood Enterprise Zone Act. (MCL 207.786(2))

Form 4626, *Assessing Officers Report of Taxable Values as of State Equalization*, due to the STC.

Deadline for foreclosing governmental units to file petition for tax foreclosure with the circuit court clerk for the March 1, 2014, forfeitures. (MCL 211.78h(1))

By 21 County clerk delivers absentee voter ballots for Aug. 5 primary to local clerks. (MCL 168.714)

Delivery of military and overseas absentee voter ballots must begin for Aug. 5 primary by this date. All requests received since Nov. 6, 2013, from a military or overseas voter must be honored for all 2014 elections. (MCL 168.759a)

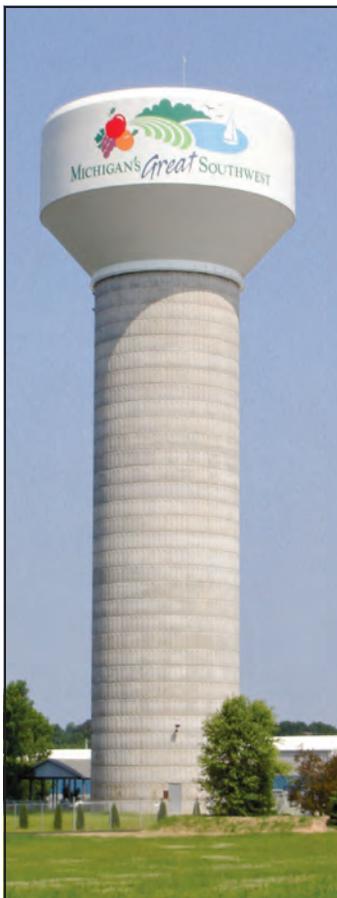
23 *Fourth Monday in June.* Deadline for equalization directors to file tabulation of final taxable valuations with the STC on STC Form L-4046. (MCL 211.27d)

26 *through July 15.* Precinct inspectors for Aug. 5 primary appointed by township election commissions. (MCL 168.674)

By 30 Supervisor shall prepare and furnish the summer tax roll before June 30 to the township treasurer with supervisor's collection warrant attached if summer school taxes are to be collected. (MCL 380.1612(1))

Notice of close of registration for Aug. 5 primary published. (MCL 168.498)

Deadline for classification appeals to the STC. (MCL 211.34c(6)) A classification appeal must be filed with the STC in writing on Form 2167 on or before June 30. Boards of review must provide the taxpayer with the form to appeal their classification.



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Does having 501(c)(3) tax-exempt status exempt a property owner from Michigan property taxes?

Having Internal Revenue Service 501(c)(3) tax-exempt status is one factor to consider, but it does not automatically exempt a property owner from Michigan property tax, nor does it create a presumption in favor of exemption.

The General Property Tax Act provides in MCL 211.1 that: “[A]ll property, real and personal, within the jurisdiction of this state, not expressly exempted, shall be subject to taxation.” A tax exemption is the opposite of tax equality, as an exemption allows the exempt property owner to avoid taxes that non-exempt properties pay. Exemption statutes are subject to a rule of strict construction in favor of the taxing authority.

State law must be analyzed to determine whether the claimed property is expressly exempt. Property tax exemption cases are fact-based, and decisions vary by case. Whether a property owner has federal 501(c)(3) tax-exempt status would be just one factor in analyzing any property owner’s claim to determine whether or not they are expressly exempt under Michigan law. The Michigan standard for a charitable exemption from property taxes is more stringent than the federal standard to qualify for 501(c)(3) tax-exempt status.

A nonprofit 501(c)(3) property owner has requested a charitable exemption for property used as a youth nature camp. Does this property qualify for a charitable exemption under state law?

More than mere nonprofit status is required to determine whether the property qualifies for a charitable exemption. MCL 211.7o(1) provides that: “Real or personal property owned and occupied by a nonprofit charitable institution while occupied by that nonprofit charitable institution solely for the purposes for which that nonprofit charitable institution was incorporated is exempt from the collection of taxes under this act.”

In *Wexford Medical Group v. City of Cadillac*, 474 Mich 192, 203 (2006), the Michigan Supreme Court established the present three-part test for determining if an organization is charitable, noting (emphasis added):

1. The real estate must be *owned* and *occupied* by the exemption claimant;

2. The exemption claimant must be a *non-profit charitable institution*; and
3. The exemption exists only when the buildings and other property thereon are occupied by the claimant solely for the purposes for which it was incorporated.

In *Wexford*, the court considered several factors, including the following, to determine whether an institution is a “charitable institution” under MCL 211.7o:

1. A “charitable institution” must be a nonprofit institution.
2. A “charitable institution” is one that is organized chiefly, if not solely, for charity.
3. A “charitable institution” does not offer its charity on a discriminatory basis by choosing who, among the group it purports to serve, deserves the services. Rather, a “charitable institution” serves any person who needs the particular type of charity being offered.
4. A “charitable institution” brings people’s minds or hearts under the influence of education or religion; relieves people’s bodies from disease, suffering or constraint; assists people to establish themselves for life; erects or maintains public buildings or works; or otherwise lessens the burdens of government.
5. A “charitable institution” can charge for its services as long as the charges are not more than what is needed for its successful maintenance.
6. A “charitable institution” need not meet any monetary threshold of charity to merit the charitable institution exemption; rather, if the overall nature of the institution is charitable, it is a “charitable institution” regardless of how much money it devotes to charitable activities in a particular year.

The property owner must also own and occupy the property on tax day—and occupation of the property involves maintaining a regular physical presence on the property. Moreover, a property owner’s activities must be examined as a whole. Qualification for the charitable exemption requires a fact-specific analysis and much more than a mere showing that services are provided by a nonprofit corporation.

What other information should we request from the property owner to determine charitable exemption?

The burden of proof is on the property owner, who should provide sufficient documentation to the assessor to support the requested charitable exemption. As the determination is on a case-by-case basis, the documentation needed varies by

circumstances. However, we believe it would be appropriate to ask for the following information when considering a request for a charitable exemption:

1. All corporate formation documents. (articles of incorporation, bylaws, applications for charitable solicitation, application for federal tax-exempt status).
2. Property acquisition documents (deeds, closing statements).
3. All financial records showing dates, amounts received, from what sources received, amounts expended, and how the amounts were expended.
4. Names, dates and frequency of any programs offered at the property, including advertisements or other promotional literature.
5. Any policy for waiving fees, written or otherwise, the number of fee waivers granted, and when, to whom and for how much in value.
6. A description of petitioner's facilities, including a list of structures, improvements and other facilities, as well as a description of use of each facility.
7. A detailed description of petitioner's physical presence at the property.
8. Policy on use and availability of petitioner's services and/or property.
9. Documentation regarding distribution of petitioner's property upon dissolution.

Analysis of the previously referenced information should allow the township to make a determination as to whether the property owner qualifies for a charitable exemption.



What can the township do if it believes that an existing charitable exemption is no longer applicable?

Per MCL 211.2(2), exempt status is determined annually as of tax day. Before that date, it would be appropriate for the assessor to contact the owner of the charitable property and request further information from the owner to determine whether the charitable exemption should continue for the next tax year. If the owner does not cooperate with the assessor, it may be appropriate for the assessor to conclude that the exemption is no longer applicable for the following tax year. If the assessor lifts the exemption for the next tax year, the burden of proof would be on the property owner to prove the exemption.

Hello, MTA ... ? provides general information on typical questions asked by township officials. Readers are encouraged to contact an attorney when specific legal guidance is needed. Member township officials and personnel may contact MTA Member Information Services with questions or requests from 8 a.m. to 5 p.m., weekdays, at (517) 321-6467 or fax (517) 321-8908.



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Bill protects homeowners from flood insurance costs

Homeowners facing sharp increases in flood insurance due to 2012 reforms are getting some relief.

President Barack Obama recently signed House Resolution 3370, a measure that will cut back on flood insurance premiums for homeowners living in flood-prone areas. The legislation also allows people who buy homes in flood zones to receive below-market insurance rates with subsidized policies. Both the U.S. House and Senate passed the bill with bipartisan support earlier this year.

The bill is in response to an outcry from homeowners whose flood insurance premiums skyrocketed under a 2012 reform of the federal flood insurance program. The changes were intended to eventually eliminate subsidized rates and update flood maps used to set premiums.

Under the newly signed law, premium increases will be capped at 18 percent per year, protecting homeowners from sudden, steep jumps. The premium cap does not apply to those who have a second home in a flood zone or whose properties flood repeatedly. Their premiums could continue to increase by 25 percent each year until they are consistent with their actual flood risk.

To be covered by a flood insurance policy, a property must be in a community that participates in the National Flood Insurance Program. To qualify for the program, a community adopts and enforces a floodplain management ordinance to regulate development in flood hazard areas. Visit the Floodplain Management and Flood Insurance Web pages on the members-only section of www.michigantownships.org for additional information.



New laws reimburse locals for PPT reform losses

A package of newly signed laws ensures that townships and other local units of government will be reimbursed for their losses due to the personal property tax (PPT) reform.

Public Acts 83-93 of 2014 were approved by the Legislature with bipartisan support and signed after months of discussion among MTA, other local government associations, the business community and lawmakers. Together, the bills reimburse local units, ease the administrative burden and provide tax relief for businesses. The entire package is contingent upon voter approval of an

August 2014 ballot initiative dedicating a portion of the state's use tax for reimbursement to local government.

The new laws come on the heels of legislation enacted in 2012 that would gradually phase out the PPT. Under the 2012 reform, local units would have only received reimbursement for up to 80 percent of their losses if they reached a minimum threshold. Local governments would have also been required to implement a local essential services assessment (ESA) for reimbursement of PPT losses associated with police, fire and ambulance services.

Legislation passed in March eliminates the minimum threshold. Instead, it reimburses all local units, including priority funding for small-parcel losses, starting in 2016 by setting aside a fixed amount of the state's use tax. It also shifts the administration of the ESA from local governments to the state.

While the plan is contingent on voter approval, there are upcoming reporting requirements. Local assessors must report the 2013 and 2014 taxable value of commercial and industrial personal property for their township, as well as the township's small taxpayer exemption loss, by **June 5, 2014**. Starting **June 5, 2016**, and each year thereafter, the township assessor must report current-year taxable value of commercial and industrial personal property for their township.

Also by **June 5, 2016**, a township assessor must report the township's increased value from expired tax exemptions that would be subject to Department of Treasury calculations for the township or any authority that provides essential services and levies taxes in the township. By **Aug. 14** each year, a township must report to Treasury millage levied or to be levied that year for a debt loss or school debt loss. The Department of Treasury will provide additional information to local units on these reporting requirements.



Township vacancies affected by new election law

Township officials appointed to fill a vacancy on or before April 14 must now run for election to fill the remainder of the term.

This change was recently signed into law under Public Act 94 of 2014, which has immediate effect. Previously, anyone appointed to fill a vacancy at least 182 days before the November general election, which would have been May 6 this year, would run in an election to fill the remainder of the term.

Now, the law states that a person appointed to a township office must face election if the vacancy occurs more than seven days before the nominating petition filing deadline.

This is due to the deadline being moved to 15 weeks before the August primary election, which was April 22 this year. Anyone who did not file by that date must face a write-in campaign if they plan to fill the remainder of the term.

Other changes resulting from the new law include prohibiting clerks from releasing any portion of a registered voter's Social Security number, and nullifying a voter's signature on a nominating petition if it does not include his or her signature, street address or rural route, and date of signing.

Scrap metal bill gets governor's signature

Municipalities have a new tool to fight the growing problem of scrap metal theft.

Gov. Rick Snyder signed Public Act 99 of 2014, formerly House Bill 4593. Sponsored by Rep. Paul Muxlow (R-Burnside Twp.), it was tie-barred to a second scrap metal bill, PA 217 of 2013, sponsored by Sen. Jim Ananich (D-Flint). Both bills take effect on July 1.

Muxlow's bill requires scrap metal dealers to mail to sellers all payments of \$25 or more. It also bans cash payments for



frequently stolen metal items, including copper wire and air conditioners.

The new law also allows, but does not require, the Department of State Police to implement and maintain a Web-based database of anyone who sells catalytic converters, air conditioning coils, and copper wire and pipe.

PA 217 amends the penal code to refer to scrap metal in prescribing penalties for larceny of certain types of properties.

Trust fund bill brings project money to townships

Another \$3 million is on its way to more than 20 townships for acquisition and development projects.

Public Act 114 of 2014, sponsored by Sen. Darwin Booher (R-Osceola Twp.), provides funding for the 2014 Michigan Natural Resources Trust Fund (MNRTF) projects. The MNRTF Board recommended the \$27.6 million for 32 land acquisition and 44 development projects in December 2013.

MNRTF funding comes from royalties collected for the extraction of nonrenewable resources from state-owned land, with local matching requirements adding another \$18.9 million to the total.

Acquisition projects for townships totaled nearly \$1.8 million in MNRTF dollars, while development projects represented about \$1.5 million.

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Land banks:

Improving communities, improving the economy

Pennfield Charter Township has seen an increase in vacant and abandoned property over the last few years,” said Supervisor **Rob Behnke**. “With the downturn in the economy, we have seen more and more individuals within the township walk away from their homes. This, in itself, has been a challenge for Pennfield Township.”

Dilapidated, hazardous residential structures. Vacant lots of insufficient size to promote independent development. Emptied out, crumbling commercial buildings. While headlines so often focus on the scourge of blight in cities, it’s no secret that many townships in Michigan find themselves with increasing numbers of vacant and abandoned properties.

The impact of population declines, outmoded housing stock and other factors are felt from the largest township in Wayne County to the smallest in Houghton County. The scale and costs of blight, in absolute terms, are far different in townships than in cities, but the threat to quality of life and neighborhood stability is much the same.

Sites that are vacant or uncared for attract illegal dumping and stripping, increase the number of fire and police calls, add to mowing and snow removal costs, and may end up in tax foreclosure, resulting in an increased cost

to the local unit of government. They are unattractive to prospective buyers and give nearby owners less incentive to keep up with their own property maintenance. Altogether, this hurts local housing markets.

The data on impact are startling, but perhaps not surprising. A 2011 Federal Reserve Bank of Cleveland¹ study found that vacant and tax delinquent properties lower the value of surrounding properties within 500 feet by 2.1 percent. If a vacant property is also in foreclosure, the negative effect on surrounding property values jumps to 9.4 percent.

When local markets suffer, so do local government services, which are reliant upon property taxes. As a result of tax foreclosure, many vacant and abandoned properties end up in the hands of the county treasurer. It’s a growing problem. Between 2006 and 2013, tax foreclosures increased from 10,467 to 30,075 statewide, according to the state Department of Treasury.



For both urban and rural townships, there are opportunities to partner with land banks to address abandoned properties. ... The appropriate role on any given property depends on the township's capacity, goals and priorities, the land bank's capacity and array of programs, and the options available for the land itself.

Despite worrisome trends, there is good news. Michigan has a well-established tool that can help townships and other municipalities address vacancy and abandonment: land banks.

“As townships are addressing their issues with blight and/or planning community or economic development projects, the land bank can be a valuable partner in those efforts,” said Christine Schauer, board chair of the Calhoun County Land Bank Authority.

What is a land bank?

Land banks are public authorities that specialize in the acquisition of vacant, abandoned, and/or tax delinquent properties. They do so with the intention of either immediately returning these properties to productive use, or holding and maintaining them for the purpose of stabilizing distressed markets or fulfilling long-term land use goals.² A land bank exists to “live and breathe” vacant and problem property reclamation. Thoughtfully executed, land banking can resolve some of the toughest barriers to returning land to productive use, helping to unlock the value of vacant and problem properties as assets in community revitalization.

In 2003, the Michigan Legislature passed Public Act 258, which created the Michigan Land Bank Fast Track Authority. It also allowed counties acting as the tax foreclosing governmental unit and the City of Detroit to create land bank authorities through intergovernmental agreements with the Michigan Land Bank Fast Track Authority. With a goal of strengthening Michigan's economy, the Legislature endowed land banks with special and distinct powers, including the ability to hold properties tax exempt, expedite quiet title action, dispose of property for less than fair market value, and establish all land bank-owned properties as brownfield-eligible sites. These powers provide a unique opportunity for townships to better address challenging and chronic issues of blight and abandonment.



Courtesy of the Calhoun County Land Bank

Land bank projects, like the one above in Calhoun County, can help turn a dilapidated, unusable lot into open space or a community garden.

While all land banks exist to serve the same primary purpose of acquiring vacant and problem properties and returning them to productive use, they are quite diverse in their structure and operations. Currently, Michigan has 39 operating land banks and they vary greatly in the type of region and economy they operate in, size of their inventory, capacity, legal authority, goals, and programs. Despite this diversity, there are some common traits in programs that are the most successful, including the following³:

- **They connect to the tax collection and foreclosure process.** The tax foreclosure process can effectively supply a source of inventory for land banks. This is particularly true in communities where intergovernmental agreements are in place for a land bank to acquire properties at little to no cost and where the primary cause of problem properties is tax delinquency and/or an ineffective tax foreclosure process.
- **They are scaled in response to local land use goals.** A land bank's disposition strategies directly help achieve the goals set by the land bank board and support local land use goals. As a result, land banks are often authorized to transfer ownership for a range of compensation, not simply for the highest cash bid or market value.
- **They are policy-driven and transparent in policies and transactions.** Property acquisition and disposition—especially properties that may have long been eyesores and harmful to a community—is an important, but also sensitive, endeavor. Therefore, there is a great need to build trust with the public through complete

transparency in the establishment of priorities, policies, and procedures that govern all actions of a land bank.

- **They seek community engagement and partnerships.** There is no substitute for engaged community stakeholders who understand the community's history and goals, can help prioritize interventions, and can participate in executing the solutions.
- **They operate maintenance programs.** Whether conducted by land bank staff or through external partnerships, property maintenance makes sure vacant lots are “good neighbors.” Maintenance programs might include workforce development components, or adopt-a-lot options for willing stewards.
- **They align with other tools and programs.** Because a land bank is a tool to support locally developed goals, and is not a goal in and of itself, it is important to coordinate with other tools and programs also targeted at achieving the same goals. Land bank strategies should align with tax collection, code enforcement and redevelopment strategies.

Land banks are not the be-all, end-all of blight elimination. Even with coordination, it can be an uphill challenge. Land banks are often the owners of last resort, meaning that they acquire long-vacant properties for which there is no market demand. Funding is limited. Inventories of property with little market demand are growing. As a result, land banks do struggle to develop and sustain innovative methods of acquiring, maintaining and disposing of properties.

Because of these limitations, strategic partnerships with local governments, developers and community groups are all the more important—and can yield positive results for townships that otherwise wouldn't happen.

Land banking in townships

“Townships and villages are just as important to the land bank as cities,” said Tim Burgess, executive director of the Muskegon County Land Bank Authority, “Blight and

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vacant property problems do not have boundaries. It is a problem throughout the county. They are less concentrated in townships than in cities, but that does not make the problem any less real to those who reside there.”

Land banks are commonly associated with urban cores but, as Burgess points out, townships can benefit from the programs they offer—and many are already doing so.

The 39 Michigan land banks exist to meet the unique needs of their communities. And while Marquette County’s land bank is different from Muskegon County’s and Calhoun County’s land banks, for example, each have used their unique tools to acquire, rehabilitate, demolish and dispose of vacant and abandoned properties to benefit their townships. These projects range from the redevelopment of residential housing to the demolition of a vacant school to land assembly and new construction.

Land bank officials express a commitment to assisting townships within the counties they serve. “A regional approach by the Calhoun County Land Bank Authority makes sense because blight is a regional problem,” Schauer explained. “Often, townships are a part of what is viewed as a larger metropolitan area, and also may be a part of a gateway into a city. It is somewhat of a symbiotic relationship. If the townships are attractive and prosperous, it can breed prosperity in the city and vice versa.”

For both urban and rural townships, there are opportunities to partner with land banks to address abandoned properties. For example, after acquiring a property, the land bank may manage the process of demolishing the existing structure, facilitating intermediate reuses of the parcel, and finally securing permanent redevelopment. At other times, the land bank may play a simple transactional role, working with a township to assemble land for future redevelopment, while the township then sees the project through to completion. The appropriate role for the land bank and township on any given property depends on the township’s capacity, goals and priorities, the land bank’s capacity and array of programs, and the options available for the land itself.

Why would a township partner with a land bank?

The services and opportunities that land banks can offer local governments include:

To demolish vacant eyesores and spur redevelopment

In 2010, the Marquette County treasurer foreclosed on a former school located in **Ishpeming Township** and demolished the building. It had been vacant since the 1990s with little market demand.

“The township supported the demolition of the vacant school because of the benefit to the surrounding residents,” explained **James Nankervis**, Ishpeming Township supervisor. “The property was turning into an eyesore. It was an opportunity to build new homes and bring in new families to our community.”

Marquette County utilized its first right of refusal to purchase the property and transferred it to the county land

Building a land bank-township partnership to move revitalization efforts forward

Says Christine Schauer of the Calhoun County Land Bank Authority, “Some township officials may not be aware of the tools the land bank can bring to the table. I would encourage township officials to contact their area land bank office to see if there is a partnership opportunity there.”

Here are some steps to take:

- **Set up a meeting with your county land bank.** Do not wait for your land bank to reach out to you. If you have ideas on how you think you can partner with them, don’t wait!
- **Contact your county land bank to determine if they currently own any properties within your township,** or contact your county treasurer to determine if any properties in your township are facing tax foreclosure.
- **If your county does not have an established land bank, the Michigan Land Bank Fast Track Authority may be able to provide services to your township.** For more information on the authority, visit www.michigan.gov/landbank.
- **Educate yourself on land bank tools.** This can help you to better understand how a land bank could assist your township in your revitalization efforts. A good place to start is by downloading a free copy of *Land Banks and Land Banking on Community Progress’* website, www.communityprogress.net, or attending regional Michigan trainings and/or conferences that highlight land bank work.



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cover story

bank authority for the amount of back taxes owed at the time of foreclosure. The county land bank authority then coordinated and funded the demolition of the school, obtained title insurance on the property, and subdivided the parcel into 12 individual lots. Ishpeming Township funded 50 percent of the sewer extension through the site, which enabled the county land bank to partner with Habitat for Humanity to develop three single-family homes. Habitat for Humanity currently has a purchase agreement on a fourth lot. Two other lots were sold to adjoining property owners and one lot is being held as open space for residents. The remaining five lots are for sale to the public.

“The land bank authority was able to remove a dangerous building and in its place provide for new home construction. Potentially, this area could see nine new homes with a small amount of open space that the neighborhood can enjoy,” said Anne Giroux, Marquette County Land Bank chair.

The Marquette County Land Bank Authority continues to work collaboratively with local government to find the best way to return tax foreclosed properties to the tax rolls. In addition to demolishing property in Ishpeming Township, it is working with **Champion Township** and **Tilden Township** to demolish blighted buildings.



After a long-vacant school building was demolished in Ishpeming Township (Marquette Co.), the property was divided into 12 lots. Three homes have been built by Habitat for Humanity, with a fourth on the horizon.

To free up tax-foreclosed properties for productive use

In **Dalton Township** (Muskegon Co.), the land bank worked with the township to acquire tax-reverted 25-by-100-foot vacant lots that cycled through several tax foreclosures. The goal was to move these properties back into the hands of responsible land owners and put them into productive use. In some cases, that meant disposing of the property to an adjacent homeowner and in other cases, holding the property long term for future land assembly.

Since 2008, the land bank, in partnership with the Muskegon County treasurer and Dalton Township, has transferred nearly 20 parcels of tax-reverted property to the township. Utilizing the authority of the county treasurer to bundle tax-reverted properties at auction, the Muskegon County Land Bank became the owner of last resort and disposed of the vacant lots to Dalton Township, which is assembling the properties for future redevelopment.

To support property rehabilitation

Land banks can target property acquisition and create strategies that support a township’s land use plans, including the rehabilitation of residential properties to provide safe housing choices for residents. In 2013, the Calhoun County Land Bank acquired a bank-foreclosed home in Pennfield Charter Township through a donation. The property was located in a desirable school district, but the neighborhood was seen by some as nearing the “tipping point,” meaning it may soon slip into decline.

“This property was one that could continue to play a positive role in the neighborhood,” Behnke said. “Plus, it provided an affordable home to a family that needed one. This was a property that could be rehabilitated in a very positive manner.”

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The rehabilitation of this property, therefore, would assist in stabilizing and strengthening the neighborhood.

Calhoun County Land Bank Authority partnered with Community Action Agency, a local nonprofit, to rehabilitate the property. The land bank acquired the property, funded the holding costs, including insurance, utility bills and lock changes, and marketed the property with a local realtor, requiring owner occupancy for five years. Community Action Agency coordinated rehabilitation, which included covering rehab costs and managing volunteers. The home was updated with new paint, carpet and laminate flooring, kitchen cabinets and appliances, several windows and screens, a storm door, furnace, water heater, flooring, and updated plumbing.

Ultimately, a first-time homebuyer purchased the rehabbed home. As outlined in the initial agreement, the sales proceeds reimbursed the Calhoun County Land Bank and Community Action Agency for rehab and holding costs. Additional proceeds were split between the two entities, with 80 percent given to Community Action Agency and 20 percent to the Calhoun County Land Bank for future projects.

Pennfield Charter Township played a supportive role in the project. Behnke explained, “Especially with residential properties that could become a problem in the neighborhood where they are located, we greatly appreciate having the chance to give input on whether a property can be rehabilitated or whether the property needs to be demolished.”

The Calhoun County Land Bank and Pennfield Charter Township plan to partner on future projects, including residential and commercial demolition.

“We hope to continue to partner with the land bank as they continue to obtain properties within our township,” noted Behnke. “Having input on the future of a property will always be a positive for both the township and the residents we serve.”



Courtney Knox, Associate Director of Michigan Initiatives, Center for Community Progress, Flint

For more information, contact Knox at (877) 542-4842 x 20 or cknox@communityprogress.net, or visit www.communityprogress.net

Footnotes

- ¹ Stephen Whitaker and Thomas J. Fitzpatrick IV (2011). *The Impact of Vacant, Tax-Delinquent and Foreclosed Property on Sales Prices of Neighboring Homes*. Federal Reserve Bank of Cleveland.
- ² Modified definition from Alexander, F.S. (2011). *Land Banks and Land Banking*. Center for Community Progress.
- ³ Bullet points taken from Center for Community Progress (2014). *Land Banks and Land Banking Policy Briefs*. Center for Community Progress.



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Q A resident would like to make a cash contribution to our township's recreation program, and wants to receive a tax deduction on his individual income tax return. Is this possible?

Yes, contributions to townships are deductible on an individual's personal income tax, if they are used for a "public purpose."

The amount deductible is subject to certain limitations based on an individual's adjusted gross income. It is recommended that township officials refrain from giving tax advice, but rather refer donors to IRS Publication 526 for guidance. Information is available on www.irs.gov.

Q Are there specific IRS-required receipts that we must issue for these contributions?

There are specific acknowledgement procedures for monetary donations and donations of property that the IRS requires in order for individuals to receive a tax deduction. For cash contributions, which includes cash payments, checks, credit cards and payroll withholding, the following documentation must be provided by the township:

1. The documentation must be written, and include the amount of cash contributed, and whether the township gave the donor any goods or services as a result of the contribution, other than certain token items or membership benefits.
2. The donor must receive the receipt on or before the earlier of the date the donor files the return for the year of the contribution, or the due date, including extensions, for filing the return.

These are necessary for the donor to receive a tax benefit on their income tax return, for cash contributed in excess of \$250.

Q We would like to have a fundraiser to raise money for park equipment. Will registration fees be tax-deductible?

IRS regulations require that a charitable organization make a "good faith" effort to value the benefits a donor receives as a result of a donation, and to disclose a description and amount to the donor. While this sounds simple, in practice it can require judgment calls and estimates and can be a time-consuming process.

Donor benefits may consist of tangible or intangible benefits. Intangible benefits might include admission to a museum or other facility, invitations to purchase tickets to events not available to the general public, discounts on purchases, parking in a reserved lot on football Saturdays, etc. Tangible benefits can include food/meals, mementos, pictures, shirts, etc.

These valuations are not based on the cost of the event to the organization (e.g., the township), but on the value the donor receives. For example:

A golf tournament is held to provide funds for park equipment. Donors receive a round of golf with a cart, a boxed lunch, a gift bag, and dinner and two drink tickets. Entry fees are \$175 for an individual, \$700 for a four-person team, and hole sponsorships are \$2,000, which includes a four-person team.

The club normally charges \$55 for a round of golf, but is only charging \$35 for the tournament. The box lunch is \$8. A gift bag contains donated items, which are valued at \$60. The dinner is catered in the township hall, at \$44 per person. The bar is sponsored, though drink tickets are valued at \$10 each.

Tallying the above benefits, the donor benefit for a \$175 registration is \$177. There is no charitable component of the benefit. If a prize drawing is held, the balance of the ticket over the value of tangible benefits received is considered the value of the chance to win a prize and there is no gift for the donor/purchaser. The event sponsors' payments of \$2,000 are recorded as gifts with a \$700 benefit (four tickets at \$175 each) and a \$1,300 gift.

This information must be conveyed to event participants of the event, often on the event ticket or acknowledgement of sponsorship.

Thanks to Auburn University Foundation for the use of their materials.

Information provided in *Financial Forum* should not be considered legal advice, and readers are encouraged to contact their township auditor and/or attorney for advice specific to their situation.



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May workshops tackle three pressing issues, offer cost-savings

At three workshops this month, MTA will offer insights into the elements of investments, demonstrate best practices for obtaining and utilizing legal counsel, and dissect the role of your zoning board of appeals (ZBA). Join us for any (or all!) of the sessions.

Townships registering for more than one session receive a discount! Separate individuals from your township attending different sessions will also qualify for the discount. If, for example, the treasurer wants to attend *Investment IQ* and the supervisor *Legal Matters* ... you still get the discount! Send your ZBA members to *ABCs of ZBAs* and save even more.

Dates and locations are:

May 6: Holiday Inn, Big Rapids

May 7: Treetops Resort, Gaylord

May 9: Bavarian Inn Lodge, Frankenmuth

May 20: Holiday Inn, Battle Creek

Information on workshop content appears below. Registration forms appeared in the April issue of *Township Focus*. Download a registration form or register online at www.michigantownships.org. Don't delay, register today!

What is Your Investment IQ? Get an overview of investment types allowable under Public Act 20 of 1943 and learn more about assessing the levels of risk, liquidity and return. Walk away with tips on designing your township's investment policy and quarterly investment report.

Legal Matters Learn how and when to utilize your legal counsel to create a township that operates lawfully and in a fiscally responsible manner.

ABCs of ZBAs Explore the ZBA's authority, duties and roles, dig into ZBA review standards, variances, appeals of administrative decisions and interpretations, and hear about other duties that may be assigned to ZBAs.

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Is there a particular topic you'd like MTA to cover in an educational session or *Township Focus* magazine article? MTA wants to hear your ideas, including any "trouble spots" your township is facing, successes your community is experiencing, or topics or trends you are seeing impact township government. Suggestions could be incorporated into upcoming MTA workshops, Annual Conference educational sessions or *Focus* articles.

Contact MTA Knowledge Center Education Director Shelley Cardenas at (517) 321-6467 or shelley@michigantownships.org to share your ideas.

Interested in serving as a speaker or author? Consider sharing your experiences, best practices or practical solutions by presenting at a workshop or contributing to articles in the magazine. Download a speaker/author information form at www.michigantownships.org/submitproposal.asp.




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upcoming MTA workshops

REGISTRATION INFORMATION

June workshops offer strategies for serving—and engaging—your community

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MTA can help your township identify what's most important to the residents you serve, a critical component in defining your township's future direction. Learn strategies to improve transparency and enhance credibility. Join MTA and speaker Susan Radwan, governance expert and owner of Leading Edge Mentoring, in **Mt. Pleasant** at the **Comfort Inn & Suites Conference Center** on **June 23** for one (or both!) of the sessions described below:



Creating a Vision for Your Township (B-103; 4 credits)

9 a.m. to 12:15 p.m. (Includes continental breakfast)

Identifying core community values and expectations is a critical component in serving your community. Learn strategies for evaluating township programs and services, and explore the need for innovation and change. By examining both adversity and opportunities, you can identify how to balance short-term issues with a long-term vision. Rekindle your township's mission by examining your community's past, present and future.



Linking with the Community (B-106; 4 credits)

1 to 4:15 p.m. (Includes lunch)

Enhancing credibility in the public eye begins with your township board. Examine ways of being more open and transparent to the community—a valuable exercise to increase trust at the local level. Explore ways of determining what your constituents want and how to keep them informed about your township's activities. Includes a discussion on cultivating emerging leaders in your community.

These courses are part of MTA's Township Governance Academy, an innovative credentialing program for township officials and local leaders in Michigan. You do NOT have to be enrolled in the Academy to attend.



Cancellations & Substitutions: Written cancellation requests received at the MTA office by June 9 will receive a full refund. No refunds will be issued thereafter. You may substitute another individual from your township for your registration at any time without incurring a charge; please notify MTA of the change.

Registration Form

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Name & Title _____ Full Program Vision Linking

	Registration Rate	Discounted Rate
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Creating a Vision (B-103)	\$109/attendee	\$ 89/attendee
Linking with Community (B-106)	\$109/attendee	\$ 89/attendee

Register by June 9 and save up to \$40!

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*Rates apply to MTA members. Non-members, call for rates.

NOTE: Payment must accompany form in order to be processed.

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Safe and sound

Two townships named safest places to live

Wondering where the safest communities in Michigan are? Look no further than two townships, which were recently named the top municipalities in the state when it comes to safety.

Real estate website Movoto has named **Grosse Ile Township** (Wayne Co.), with just 89 reported crimes in 2012, the safest place in Michigan. **Hamburg Township** (Livingston Co.) followed close behind, ranking No. 2 on the website's list.

Both townships boast an extremely low likelihood of its residents becoming victims of crime. And of the crimes reported last year, the townships reported few, if any, violent crimes.

Brian Loftus, Grosse Ile Township supervisor, said his township's high ranking is no accident. He knows safety is one of the top reasons families choose to live in an area. In southeast Michigan, townships, villages and cities compete to be the suburban homes of men and women who commute into metropolitan areas such as Detroit or Ann Arbor to work. Any community that wants to compete must keep safety as a top priority, Loftus said. "If you're looking for a place to live, you want good schools and no crime," he continued. "Those are huge selling points."

Movoto's top 10 list of safest places was published online earlier this year based on 2012 data. The list also includes two other townships—**Bloomfield Charter Township** (Oakland Co.), ranking No. 7, and **West Bloomfield Charter Township** (Oakland Co.), which tied with Riverview in Wayne County for No. 8.

The website created its list with FBI crime statistics for Michigan communities with a population of at least 10,000. Those 102 communities were then scrutinized for three criteria: violent crime, property crime and the chance a resident will be a victim of a crime.

A primary reason behind Grosse Ile Township's safe track record is its investment in its police department. Funding for the 24-member force takes up a large chunk of the township's overall budget. When Grosse Ile Township—an island township located in the Detroit River—asked citizens to raise the millage rate and increase support for the department, they voted with a resounding yes.

"It says that the residents consider the police department to be important," Loftus said. "Our police department is part of the community. About half of them live on the island. They're our neighbors."

In recent years, Grosse Ile Township used grant dollars to install license plate-reading technology on the bridges entering the township. Any vehicles with known warrants against them are immediately flagged and tracked. Police vehicles are equipped with new dashboard cameras, and the department's communication system is upgraded.

But Loftus believes safety encompasses more than stopping crime. All emergency services focus on quick response times and thorough training in on-scene life-saving procedures. They monitor the waters surrounding the township with specialized equipment, including a hovercraft and airboat, and they've saved 17 lives in the past five years.

"It's a big responsibility," Loftus said. "It didn't happen by accident that we're the safest community in Michigan, and we are far safer than the crime statistics represent."

With a population of about 21,000, Hamburg Township has always been known as a safe community. It's a haven where residents live in a quiet, suburban setting and commute to work in nearby Ann Arbor or Detroit. Even when the population nearly doubled in the 1990s and early 2000s, the crime rate stayed low, township Supervisor **Patrick Hohl** said.

"I think it's a huge honor for the residents of Hamburg Township," Hohl said. "That's where the credit should go."

Hohl also credits the police department with the township's high safety rating. Led by Chief **Richard Duffany**, the force of 16 instituted a series of proactive changes over the last three years to keep crime at a minimum.

The police department has embraced technology and social media in one of its major initiatives. Staff updates the department Facebook and Twitter pages on a regular basis, giving residents updates on department news, safety tips and monthly arrest reports. Residents can sign up to receive police alerts through text messages or email in a program called Nixle, and they are also able to send anonymous, electronic tips through tip411.

These electronic outlets help to get residents involved in what Duffany calls community policing. He receives messages from citizens almost every day that allow his department to be more proactive.

Hamburg Township residents also voted to invest in their police department, even though the recession was in full swing. They agreed to renew a millage that was set to expire and voted to increase the millage to 1.5 mills.

"The community has truly invested in this safety initiative and allowed us to have the funds to provide this," Hohl said.

Both supervisors agree that the safety rankings are a testament not just to their townships, but to townships in general. With smart management practices and hard work by officials, townships are able to offer services comparable to other forms of government at just a fraction of the cost.

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Billboard spacing requirement in zoning ordinance upheld in federal court

In *Hucul Advertising, LLC v. Charter Township of Gaines* (Docket No. 12-2343, Feb. 5, 2014), the U.S. Sixth Circuit Court of Appeals upheld a 4,000-foot spacing requirement for digital billboards in the township's zoning ordinance as a valid "time, place and manner" restriction on speech.

Hucul Advertising, LLC, applied to construct a billboard on its property in **Gaines Charter Township** (Kent Co.). The township denied Hucul's application on multiple grounds, including the fact that the proposed digital billboard would be located within 4,000 feet of another digital billboard, which violated the township's zoning ordinance spacing requirements.

Hucul argued that the spacing requirement for digital billboards violated the First Amendment as an impermissible restriction on commercial speech.

The court held that the township's "time, place and manner" restriction is "narrowly tailored" to its ends, stating that, "As the district court explained, and as Hucul's own witnesses acknowledged, digital billboards can have a greater effect on safety and aesthetics than static ones due to their increased visibility and changing display."

The court also held that the spacing requirement was a reasonable restriction on commercial speech because it leaves open ample alternative channels for communication. The township's ordinance permits digital billboards that satisfy the spacing requirement, as well as static billboards that may be spaced more closely together, so it does not foreclose the use of any other modes of communication.

Because the court found that Hucul's proposed digital billboard does not satisfy the spacing requirement, Hucul would not be entitled to relief even if it had prevailed on its other claims that the adjacency requirements violate either the First Amendment or the Equal Protection Clause, so the court did not address those issues.

Sport shooting range status determined by compliance with generally accepted operation and design practices, not commercial purpose

According to the court-prepared syllabus for the opinion in *Addison Township v. Barnhart*, ___ Mich. ___ (Docket No. 145144, Decided April 1, 2014), the Michigan Supreme Court held, "Under MCL 691.1542a(2), a sport shooting range that was in existence as of July 5, 1994, that operates in compliance with the generally accepted operation practices—even if not in compliance with an ordinance of a local unit of government—shall be permitted within its preexisting geographic boundaries to undertake additional actions that are authorized under the generally accepted operation practices, including (1) expanding or increasing its membership or opportunities for public participation, and (2) expanding or increasing events and activities.

"Under MCL 691.1541(d), a 'sport shooting range' is an area designed and operated for the use of archery, rifles, shotguns, pistols, silhouettes, skeet, trap, black powder, or any other similar sport shooting. In determining whether a range is a sport shooting range under the [Shooting Sports Ranges Act], the focus is on the design and operation of the range, not on the intentions of individual shooters in using the range. A range owner's commercial purpose for operating the range is also irrelevant.

"Generally accepted operation practices are those practices adopted by the Natural Resources Commission that are established by a nationally recognized nonprofit membership organization that provides voluntary firearm safety programs that include training individuals in the safe handling and use of firearms, which practices are developed with consideration of all information reasonably available regarding the operation of shooting ranges. The Natural Resources Commission has stated that the manual developed by the National Rifle Association concerning generally accepted operation practices

is advisory and should be considered as providing guidelines for operation rather than absolute requirements.”

The court reversed *Barnhart I* and vacated *Barnhart II*, remanding to the district court for entry of an order dismissing the case.

A life estate is ‘ownership’ for purposes of the principle residence exemption

In *Flowers v. Township of Bedford*, ___ Mich. App. ___, April 8, 2014, the Michigan Court of Appeals reversed and remanded a Michigan Tax Tribunal judgment that denied a principle residence exemption under MCL 211.7cc to a widow who was granted a life estate in residential property by her husband’s will (the husband owned the property prior to marrying her).

The court held that, “A life estate gives the holder the right to possess, control, and enjoy the property during the holder’s lifetime. *Wengel v. Wengel*, 270 Mich. App. 86 (2006). Accordingly, we conclude that the holder of a life estate has an interest in the property and is considered an ‘owner.’ ”



Catherine Mullhaupt,
MTA Director of Member Information Services

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Park Township

If you were not intentionally looking for it, you might drive right past the quaint and cozy little community of **Park Township** (St. Joseph Co.). Now quietly situated Mendon and Three Rivers, Park Township once thrived as a rapidly developing part of southwestern Michigan, booming with economic growth.



In the 1920s and '30s, there were two general stores, two gas stations and two garages. A woolen mill, a grist mill, a dam to power the grist mill, a saw mill, a mill race for steamboat travel, a mint oil company, a pickle station, a hardware store, a shoemaker's shop, eight school houses, pedestrian and bicycle paths along the side of the roads, and a stationhouse for train passengers and freight were just a few of the numerous highlights of the historical Park Township. Unfortunately, much of what once was has been destroyed by numerous fires that plagued the township during its early establishment. Nevertheless, Park Township has maintained its warm disposition as a welcome spot for weekend travelers.



Named after its park-like appearance, Park Township is known for its burr and white oak trees. Early settlers of the 1800s found deer and bears to be plentiful. Today, hunting is still one of the favorite seasonal sports of Park Township. Other main attractions are Park Township's plentiful therapeutic

waters with Portage River flowing along the eastern parts, Spring Run and Flowerfield Creeks flowing into the Rocky River along the west side, as well as Cotherman and Fishers Lake. If swimming, hiking, boating, fishing, camping, and outdoor enjoyment are your favorite things, then Park Township is a great place to visit.

The township was settled by innovators who saw potential for growth and development.

Past township resident Frank Dentler was an inventor of many things, including a rubber-tired sulky for horse racing (*pictured at right*), and the famous Dentler Bagging system, which was an asset to farmers and is still used today. Now, a new generation of settlers has caught a glimpse of the rich history and enormous business potential of Park Township, and has decided to blaze trails of building an innovative community once again.



Park Township is structuring its 2014 master plan to serve as the basis for township decisions regarding land use, land development proposals, public service improvements, preservation strategies, and zoning provisions. Supervisor **Joe Eichorn** and his fellow board members are avid supporters of enhancing the beauty, respect, and honor of Park Township's family-friendly community. The township's leadership focuses on promoting the continual development of attractive residential areas and supporting services. Ongoing efforts are to preserve and protect historical and scenic values, restore the natural beauty of the township, and maintain the continuous preservation of streams, valleys, and wooded areas for parks and open spaces. Conversations have included discussions of a community center, educational and training services, more recreation, and additional business/retail establishments being added to the historical Park Township in the very near future.

—Submitted by *Cymantha White*, Park Township planning commissioner, educator and freelance writer





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