

# Township Focus

OFFICIAL PUBLICATION OF THE MICHIGAN TOWNSHIPS ASSOCIATION

## Michigan's overlapping property tax limitations and the impact on townships



Prosperity coalition touts roadmap to recovery  
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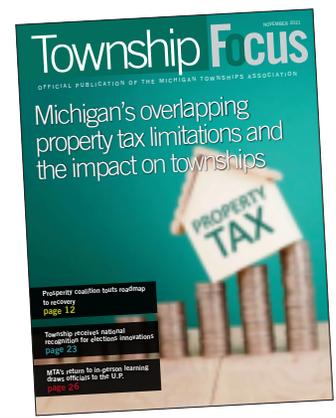


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## mission statement

The Michigan Townships Association advances local democracy by fostering township leadership and public policy essential for a strong and vibrant Michigan.



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### An unsustainable system: Michigan's overlapping property tax limitations and the impact on townships

Michigan has some of the strictest property tax limits in the country. An analysis of how these limitations affect both taxpayers and local governments that rely on the revenues to fund services makes one thing clear: the system is not sustainable for local governments or the state.

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### Township receives national recognition for elections innovations

The clerk's office and elections team at **Canton Charter Township** (Wayne Co.) received national accolades for innovations made to improve elections training and processes during the pandemic—some of which they will continue to use serving voters and residents.

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### MTA's return to in-person learning draws officials to the U.P.

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**W**e apologize to anyone who was disappointed in not being able to attend October's Professional Development Retreats in person. With the Delta variant fading, we are now planning based on the pandemic continuing to decline. With that happening, our 2022 events will allow all healthy attendees to enjoy an in-person event. No vaccine proof will be required and your attendance will be your choice given your personal readiness to be in a large indoor gathering. Masking will not be required, but encouraged.

Fortunately, our Annual Conference and Expo is still six months away, and there are no significant variants on the horizon. We know that the winter may bring a temporary uptick; let it be just that.

Why were the October retreats focused on vaccinations? Our team, in consultation with MTA's attorney, reluctantly determined that the Delta virus surge made the responsible choice to hold in-person sessions for vaccinated individuals and virtual for all others. On what basis? Our September in-person event concluded with a participant reporting having had COVID while in attendance, multiple MTA county chapter events were being cancelled due to infections among members, and one of our MTA Board members was laying in the hospital with it.

We have spoken with many members and know that you are ready to return to in-person training and events. We look forward to seeing you.

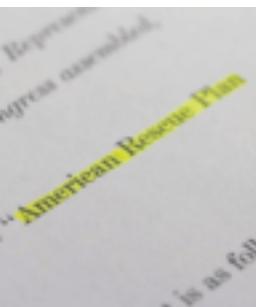
*Neil*

# news&notes

a compendium of noteworthy items

## AMERICAN RESCUE PLAN UPDATE

### NEU townships have until April 30 to file first ARPA report



Non-entitlement unit (NEU) townships now have until April 30, 2022, to file the first “Projects and Expenditures Report” for their American Rescue Plan Act (ARPA) dollars, following an extension announced by the U.S. Department of Treasury on Oct. 1. MTA shared the announcement with townships via *Township Insights*, our website, social media channels, *Community Connection* social networking site, and a mailed letter to

those supervisors for whom we do not have an email address in our database. NEUs are municipalities under 50,000 population, which includes all but eight of Michigan’s largest townships. The original NEU reporting deadline was Oct. 31, but those townships will now have an additional seven months to learn more about and file their report.

The federal department made the decision to push back the reporting deadline following feedback and comments from state and “metropolitan city” recipients (Michigan’s eight largest townships), following their Aug. 31 interim reporting deadline. The NEU report will cover the period between the award date and March 31, 2022. MTA will continue to provide updates to our members as guidance is released.

The new reporting deadline for the eight “metropolitan city” townships is Jan. 31, 2022.

As of *Township Focus* press time, the state Department of Treasury had indicated to MTA that it hoped to have all initial ARPA payments to NEUs by the end of October. Townships are reminded to look to state Treasury’s Numbered Letter 2021-3 for guidance on how to account for and record the dollars in compliance with the uniform chart of accounts. You can read or download the numbered letter from MTA’s “COVID Relief” webpage, [www.michigan-townships.org/covidrelief.asp](http://www.michigan-townships.org/covidrelief.asp). (Turn to “Financial Forum” on page 9 for more on accounting for ARPA funds.)

You can also check your township’s ARPA application status on [www.michigan.gov/arpa](http://www.michigan.gov/arpa) (click on the “NEU Status” link). If your township’s application had any errors, state Treasury’s consulting firm has sent or will send an email to the township’s contact person and supervisor (or manager, if applicable) explaining the errors and how to correct. Treasury asks that errors be corrected within seven days.

## BOOSTER GUIDANCE

### Township public safety personnel among those eligible for COVID-19 booster



Township emergency services personnel, including police, fire and EMS workers, are among those eligible to receive a booster of the Pfizer or Moderna COVID-19 vaccine, under new recommendations from the federal Centers for Disease Control and

Prevention (CDC). In addition, under the new CDC guidance, released just prior to *Township Focus* press time, anyone age 18 and older who received the Johnson and Johnson vaccine for their first series two or more months ago is eligible to receive a booster.

Pfizer and Moderna booster recommendations, for those who received their initial series six months ago or more, are:

- individuals age 18-plus with an occupational or institutional risk for COVID-19 exposure and transmission. This could include township public safety personnel.
- people age 65 and older.
- people age 18-plus with underlying medical conditions.

The CDC recommendations also allow a “mix and match” approach—meaning individuals can choose whichever vaccine they wish as a booster.

## EXTRA DIGIT DIALING

### Calling reminder for townships in 616, 810, 906 or 989 area codes

In a change that went into effect Oct. 24, townships, their residents and businesses with a phone number with a 616, 810, 906 or 989 area code must dial the area code when making a local call. The change is being made to allow for a new three-digit 988 number to the National Suicide Prevention Lifeline. The hotline will be fully operational by this summer.

Dozens of area codes around the country, in addition to the four Michigan area codes, are affected. Note that cell phone contacts in impacted areas will also need to be updated if they do not already have the area code saved.



## ATTENTION TREASURERS

### Reminder for tax collection office hours

The township treasurer must be in his or her office from 9 a.m. to 5 p.m. to receive tax payments on the last day taxes are due and payable before being returned as delinquent under MCL 211.55. (MCL 211.44(2)(b)) MCL 211.55 refers to the last day of February as the last day that taxes are due and payable before being returned as delinquent to the county treasurer, and provides for the unpaid taxes to be returned as delinquent to the county treasurer the next day.

In addition, the treasurer must be in his or her office from 9 a.m. to 5 p.m. one business day between Dec. 25 and Dec. 31. However, the requirement to hold hours in December is waived if the township has an agreement with a local financial institution to collect taxes on behalf of the township, and the township provides timely notification to the taxpayers of their ability to pay their taxes at this financial institution.

For 2021, the available days for required December office hours are **Monday, Dec. 27** through **Thursday, Dec. 30**. Treasurers **must** choose at least one day (unless a bank assists in collection). (MCL 211.44(2))

The last day to pay 2021 property taxes without incurring any interest or penalty is **Monday, Feb. 14, 2022**. Treasurers **may** choose to hold office hours.

The last day to pay 2021 property taxes before they are returned as delinquent is **Monday, Feb. 28, 2022**. (MCL 211.45) Treasurers **must** hold office hours.

The treasurer also **must** be in his or her office from 9 a.m. to 5 p.m. to receive tax payments for the collection of a summer tax levy, on **Wednesday Sept. 14, 2022** (the last day taxes are due and payable before interest is added under MCL 211.44a(5)).

*Looking for additional resources? Purchase MTA's Treasurer's Guide to Township Government (order online at [www.michigantownships.org/mta\\_store.asp](http://www.michigantownships.org/mta_store.asp) or by calling 517-321-6467), or our "Guide to Tax Collecting" webcast. Members can also visit the "Tax Collecting" Web pages on the members-only portion of [www.michigantownships.org](http://www.michigantownships.org) (access via the "Index of Topics" under the "Answer Center" tab after logging in).*

## GUIDANCE FOR SOLAR ORDINANCES

### New solar energy planning guide for local governments now available

A new "Planning and Zoning for Solar Energy Systems" guide for Michigan local governments is now available. The guide, which was mentioned in the "Hello, MTA ... ?" column in the October *Township Focus*, shares information on addressing solar energy systems in local planning policies and zoning regulations. MTA Legal Counsel Catherine Kaufman served as a reviewer for the guide, which aims to help Michigan communities make public policy decisions related to solar energy development, and presents the current context for solar in Michigan, describes the various components and configurations of such systems, and provides principles for considerations in various land-use patterns across the state. Sample language for a community's zoning ordinance is also included.



Find this and other resources on MTA's "Solar Energy" webpage on the member side of [www.michigantownships.org](http://www.michigantownships.org) (access via the "Index of Topics" under the "Answer Center" tab after logging in).

## LOCAL UPDATES FROM ACROSS MICHIGAN

### Township happenings

A three-year project to provide residents with safe drinking water is nearing completion, with **Cooper Charter Township** (Kalamazoo Co.) residents impacted by 2018 PFAS contamination connected to neighboring City of Kalamazoo's water supply. Previously, the township received water from the city of Parchment until PFAS was detected and a "do not drink" order was placed in July 2018. An excellent example of intergovernmental cooperation, the City of Kalamazoo had Cooper Charter Township residents and Parchment hooked up to existing municipal water customers within 72 hours. The township is also part of a larger \$22.7 million project through the Drinking Water Revolving Fund. The water main extension was provided free to residents and extended water service to three dozen **Richland Township** (Kalamazoo Co.) homeowners.

Jonathan Barringer, a 17-year-old Eagle Scout hopeful, created a dog agility course at **Northville Charter Township's** (Wayne Co.) Marv Gans Community Park. The course has a raised platform, tunnel, series of weaving poles, high-jump poles, and a ramp.

*Email YOUR Township Happenings to [jenn@michigantownships.org](mailto:jenn@michigantownships.org). Add MTA to your newsletter mailing list! Mail to MTA, Attn. Jenn Fiedler, PO Box 80078, Lansing, MI 48908-0078, or email to [jenn@michigantownships.org](mailto:jenn@michigantownships.org).*



This September, 2021 MTA President Peter Kleiman, Harris Township (Menominee Co.) supervisor, and MTA Executive Director Neil Sheridan headed out for a two-week road trip through the state, visiting with hundreds of local officials during stops at 10 MTA county chapters, from Lapeer County to Lake County, Cheboygan County to Kalamazoo County, with several others in between.

“This opportunity offered Pete and me the chance to update our member officials on key issues in Lansing, MTA activities, and their regional issues,” Sheridan said. “Chapters differ across the state as to their key function—information sharing, education, networking events and intergovernmental briefings—as well as to gathering size and meeting frequency. In some areas, clerks, supervisors and treasurers county associations serve where chapters are less active. We were glad to be part of all of their re-opening programs. We look forward to a new round of visits next year, and would be pleased to hear about your plans for meetings and special events.”

## profile



### Rosati, Schultz, Joppich & Amtsbuechler, PC

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“They have a wealth of knowledge,” said **Mark St. Charles, Green Oak Charter Township** (Livingston Co.) supervisor. “It’s like one-stop shopping. If I need a labor attorney, they have one. If I need a land use attorney, they have one. If I need someone for the Michigan Supreme Court, they have one. The whole firm is a very balanced, professional and knowledgeable group of attorneys.”

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Advertisorial

MTA's lunchtime learning series, *Now You Know*, offers timely updates, insights from our experts and a chance to get your questions answered all in just one hour! Don't miss our upcoming episode held: **Friday, Dec. 10 from noon to 1 p.m.**

## Legislative Wrap-up

As the Legislature wraps up the final days of session for 2021, check in for the latest on recent legislative action, an end of year wrap-up and learn what is on deck for 2022. Join MTA's Director of Government Relations Judy Allen for insights into today's political landscape and hot issues affecting your township—including the appropriation of the state's \$6 billion in federal American Rescue Plan Act funding and MTA's efforts as part of a statewide coalition to leverage the funds for our communities.



Register now at <https://bit.ly/NYKmta>

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 7. Known Bondholders, Mortgagees and Other Security Holders Owning or Holding 1 Percent or more of Total Amount of Bonds, Mortgages, or Other Securities. If none, check box.  
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 PS Form 3526, July 2014

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b. Paid and/or Requested Circulation	(1) Mailed Outside-Country Paid Subscriptions Stated on PS Form 3541 (Include paid distribution above nominal rate, advertiser's proof copies, and exchange copies)	8,982	8,977
	(2) Mailed In-Country Paid Subscriptions Stated on PS Form 3541 (Include paid distribution above nominal rate, advertiser's proof copies, and exchange copies)		
	(3) Paid Distribution Outside the Mails Including Sales Through Dealers and Carriers, Street Vendors, Counter Sales, and Other Paid Distribution Outside USPS		
	(4) Paid Distribution by Other Classes of Mail Through the USPS (e.g. First-Class Mail)		
c. Total Paid Distribution (Sum of 15b.(1), (2), (3), and (4))		8,982	8,977
d. Free or Nominal Rate Distribution (By Mail and Outside the Mail)	(1) Free or Nominal Rate Outside-Country Copies Included on PS Form 3541		
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	(4) Free or Nominal Rate Distribution Outside the Mail (Carriers or other means)	20	20
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h. Total (Sum of 15f. and g.)		9,067	9,062
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\* If you are claiming electronic copies, go to line 16 on page 2. If you are not claiming electronic copies, skip to line 17 on page 3.

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I certify that all information furnished on this form is true and complete. I understand that anyone who furnishes false or misleading information on this form or who omits material or information requested on the form may be subject to criminal sanctions (including fines and imprisonment) and/or civil sanctions (including civil penalties).

PS Form 3526, July 2014

### NOVEMBER

**1** Electors who have returned their absent voter ballot for the Nov. 2 election may submit a written request in person to spoil their absent voter ballot and receive a new absent voter ballot until 4 p.m. (MCL 168.765b)

Electors may obtain an absent voter ballot for the Nov. 2 election in person in the clerk's office until 4 p.m. (MCL 168.761)

Electors who have lost their absent voter ballot for the Nov. 2 election or not yet received their ballot in the mail may submit a written request in person to spoil their absent voter ballot and receive a new ballot in the clerk's office until 4 p.m. (MCL 168.765b)

*On or before Nov. 1. Oct. 31 is a Sunday.* Deadline for filing *Principal Residence Exemption (PRE) Affidavit* (Form 2368) for exemption from the 18-mill school operating tax to qualify for a PRE for the winter tax levy. (MCL 211.7cc(2))

Deadline for filing the initial request of a *Conditional Rescission of Principal Residence Exemption* (Form 4640) for the winter tax levy. (MCL 211.7cc(5))

Deadline for filing for *Foreclosure Entity Conditional Rescission of a Principal Residence Exemption* (Form 4398) to qualify for the winter tax levy. (MCL 211.7cc(5))

Deadline for submission of New Personal Property PA 328 of 1998, Obsolete Property PA 146 of 2000, Commercial Rehabilitation PA 210 of 2005, Neighborhood Enterprise Zone PA 147 of 1992, Charitable Nonprofit Housing PA 612 of 2006, Commercial Facilities PA 255 of 1978, and Industrial Facilities PA 198 of 1974 tax exemption applications to the State Tax Commission (STC). *Note:* Applications received after Nov. 1 are considered by

the STC contingent upon staff availability.

**2** Emergency absentee voting for the Nov. 2 election until 4 p.m. (MCL 168.759b)

Election Day registrants may obtain and vote an absent voter ballot in person in the local clerk's office with proof of residency or vote in person in the proper precinct until 8 p.m. (MCL 168.761).

Election.

**3** Local clerk delivers results of the Nov. 2 election to county clerk before 11 a.m. (MCL 168.809)

**4** Boards of county canvassers meet to canvass the Nov. 2 election by 9 a.m. (MCL 168.821)

**By 5** *On or before Nov. 5.* Supervisor shall notify treasurer of the amount of county, state and school taxes apportioned in the township to enable treasurer to obtain necessary bond for collection of taxes. (MCL 211.43(1))

**16** Form 600 (L-4016) *Supplemental Special Assessment Report* is due to the STC.

**By 24** *On or before Nov. 28. Nov. 26 and 27 are state holidays, Nov. 28 is a Saturday.* Treasurer gives county treasurer a bond running to the county in the actual amount of county, state and school taxes. (MCL 211.43(2))

**30** Deadline for payments to municipalities from the Local Community Stabilization Authority: Local Community Stabilization Share revenue to municipalities with state facilities under 1977 PA 289, MCL 141.951 to 141.956, and

to municipalities that incur certain costs of required and allowable health services under 1978 PA 369, MCL 333.2475. (MCL 123.1357(8)(e))

### DECEMBER

**1** County equalization director submits apportionment millage report to the STC. (MCL 207.12)

County treasurer delivers to the township supervisor a signed statement of approval of the bond and the township supervisor delivers the tax roll to the township treasurer.

Deadline for foreclosing governmental units to transfer list of unsold 2021 tax foreclosure parcels to the clerk in the municipality in which the parcels are located. (MCL 211.78m(6))

2021 taxes due and payable to the treasurer are a lien on real property. (MCL 211.40)

Results of the equalization studies should be reported to assessors of each township.

**14** *Tuesday after the second Monday in December.* December board of review meeting may be convened to correct a qualified error. (MCL 211.53b) The township may authorize, by adoption of an ordinance or resolution, an alternative meeting date during the week of the second Monday in December. (MCL 211.53b(7))

For taxes levied after Dec. 31, 2012, an owner who owned and occupied a principal residence on June 1 or Nov. 1 for which the exemption was not on the tax roll may file an appeal with the December board of review in the year for which the exemption was claimed or the immediately succeeding three years. (MCL 211.7cc(19))

An owner of a property that is qualified agricultural property on May 1 may appeal to the December board of review

for the current year and the immediately preceding year if the exemption was not on the tax roll. (MCL 211.7ee(6))

December board of review may hear appeals for current-year poverty exemptions only, but not poverty exemptions denied by the March board of review. (MCL 211.7u, STC Bulletin 6 of 2017)

**31** Tax day for 2022 property taxes. (MCL 211.2(2))

All taxes due and liens are cancelled for otherwise unsold 2021 foreclosure parcels purchased by the state or transferred to the local unit or the Michigan Land Bank Fast Track Authority. (MCL 211.78m(11) and (12))

An eligible claimant may appeal an assessment levied, penalty or rescission under the Essential Services Assessment Act to the Michigan Tax Tribunal (MTT) by filing a petition no later than Dec. 31 in the same tax year.

The state Department of Treasury may appeal the 2021 classification of any assessable property to the Small Claims Division of the MTT. (MCL 211.34c(7))

Deadline for an owner that had claimed a conditional rescission of a PRE to verify to the assessor that the property still meets the requirements for the conditional rescission through a second and third year annual verification of a *Conditional Rescission of PRE* (Form 4640). (MCL 211.7cc(5))

Deadline for a land contract vendor, bank, credit union or other lending institution that had claimed a foreclosure entity conditional rescission of a PRE to verify to the assessor that the property still meets the requirements for the conditional rescission through the filing of an annual verification of a foreclosure entity. (MCL 211.7cc(5))



**Q** Our township received the first half of our American Rescue Plan Act allocation through the state. How do we record and accrue these funds with the uniform chart of accounts?

Non-entitlement unit of government (NEUs), which includes all but eight Michigan townships, received their American Rescue Plan Act (ARPA) funds through the Michigan Department of Treasury, through the state’s SIGMA payment system, or via a mailed check if that is how the township receives its revenue sharing payments. “Metropolitan city” townships (our eight largest townships) received their ARPA funds directly from the U.S. Department of Treasury.

While the funding is received through the state, it is still considered “federal funding.” It is also important to remember that townships will receive the funding in two portions: the first now, and the second no less than 12 months after the first tranche was delivered. In addition, state Treasury will also disburse a supplemental amount to all qualified NEUs, which is an equitable disbursement of those funds that had been allocated to NEUs that declined or did not request the funding. As townships receive the first tranche of funding, officials must know how to properly record the dollars.

State Treasury released Numbered Letter 2021-3, *Federal and State Reimbursements for the American Rescue Plan Act*, to help outline the process. According to the letter, when the revenue is recorded depends on several items, including the township’s fiscal year-end and when the grant has been officially executed. In addition, no funds can be accrued back to a fiscal year that ended before March 11, 2021, the date that ARPA became law.

Similar to any government funding, such as state revenue sharing, ARPA funds should be accounted for on the “modified accrual basis” of accounting—meaning the revenues are recorded when they are “measurable and available.” For governmental grants such as ARPA, this occurs when an award has been executed and the eligible expenditures (*see more at right*) are incurred. For example, if eligible expenses have been incurred and the funds have been received, the township should record increase the asset cash (*debit*) and increase the revenues “Other—Federal Grants,” account line item 528 (*credit*).

If the expenditures have been made and the funding has been approved, but the ARPA funds have not be received, the township would make an entry (assuming all the funding should be received in the General Fund):

101-000-079 **Due from the Federal Government** (*Debit*)  
 101-000-528 **Other Federal Grants** (*Credit*)

When the cash is subsequently received:

101-000-001 **General Fund Cash** (*Debit*)  
 101-000-079 **Due from the Federal Government** (*Credit*)

The revenues should be recorded in the fund(s) where the expenditures are incurred. For example, if the township has a special voted millage funding the fire department, and a portion of the ARPA dollars was to reimburse the Fire Fund for overtime premium pay, then the entry would be:

206-000-001 **Fire Fund Cash** (*Debit*)  
 206-000-528 **Fire Fund Other Federal Grants** (*Credit*)

The portion attributable to the General Fund would be recorded as follows:

101-000-001 **General Fund Cash** (*Debit*)  
 101-000-528 **General Fund Other Federal Grants** (*Credit*)

There are special rules if the revenue is paid in one fiscal year and the expenditures are incurred in the prior year, are described in the Number Letter 2021-3, available on MTA’s “COVID Relief” webpage, [www.michigantownships.org/covidrelief.asp](http://www.michigantownships.org/covidrelief.asp).

**Q** Will our township have a single audit for these funds?

While NEU funds are received through the state, they are “pass-through” federal grant dollars and may be subject to the Single Audit Act, which is a comprehensive audit of all the township’s federal financial assistance programs. This special compliance audit of the use of the funds, and the internal controls over those expenditures, is only required when a township expends more than \$750,000 in *total* federal funds in a fiscal year. The majority of NEU townships will receive allocations less than this amount.

**Q** Is there concrete information on how we can spend our ARPA dollars?

There is no laundry list of acceptable ARPA uses, though MTA is working to identify allowable uses for Michigan townships. As noted in the October issue of *Township Focus*, U.S. Treasury “encourages recipients to use funds to meet needs in their communities” and allowable uses are to be broadly construed under four categories: replacement of revenue lost due to COVID-19, mitigating the pandemic and offsetting the negative economic impacts of COVID-19, premium pay for essential workers, and broadband, water and sewer infrastructure.

The funds cannot be used to offset tax reductions or delay a tax or tax increase, or deposited into any pension fund.

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.



## What is the difference between a ‘committee’ and a ‘commission’?

Sometimes committees are confused with statutory boards or commissions, particularly if they are long-standing committees that pre-date current board members and staff or if they have ambiguous names, such as “planning and zoning committee” or “parks and recreation board.” It’s important to determine if the body is statutory or a committee, because that will establish the extent—or the limit—of that body’s authority. In my personal opinion, I do not recommend calling a committee anything other than a committee, because it creates confusion.

A statutory board or commission is a public body provided for by law, with the law designating the authority, composition and functions for that body.

Committees are not mandated or authorized by specific statutes. A township board may choose to establish committees to collect information, make recommendations and participate in township programs. But committees have no authority of their own. They can do only what the board has authorized them to do. **Note:** This article is not intended to refer to any committees established by a collective bargaining agreement (CBA)—refer to the township attorney and the CBA.



## What can a committee be used for?

Committees may deal with internal administration tasks, such as developing a personnel policy or making recommendations for township park management. They may also be formed to gather information or resources for other township bodies, such as a committee created to conduct a survey of township residents or to gather information on how other townships finance fire protection.

Committees can offer interested and active citizens a way to support township programs and services. Some townships have established beautification, cemetery or recreation committees. Other townships use temporary committees or panels that are directed to study an issue or project and report their findings to the township board, such as a road needs committee established for one year and charged with developing a five-year road improvement plan.

Before a committee is established, the township board should consult state laws and the township’s attorney to ensure that the proposed committee does not assume powers or duties assigned to statutorily established or authorized boards or commissions, such as a salary commission or planning commission.



## How does a township board create a committee?

Once a township board decides to create a committee, it should determine the committee’s name, purpose or goals statement, the number of persons to be appointed and the length of the term they will serve, and a timeline to report findings or recommendations, if applicable. The board should direct who will appoint members to the committee. Committee members may be appointed by the township board or individual officials, such as the supervisor, clerk, treasurer or superintendent, as the board designates. The board may wish to leave administrative decisions, such as who will chair the committee, to the committee.

A township board can create a committee by simple board motion or a resolution. The board is not required to file a record of establishing a committee, other than what is recorded in the township board minutes. For public information, and to encourage additional citizen participation, the board may wish to list committees and meeting dates in the township newsletter or website.

The board should consider the following:

- Determine the number of members and composition of the committee.
- Establish how often the committee should meet.
- Determine compensation, if any, for committee members.
- Establish the scope or limit of the committee’s purpose. (What kind of recommendations may they make to the board? When will they be done?)
- Direct the committee to comply with the Open Meetings Act (OMA) and Freedom of Information Act (FOIA).
- Review the committee’s recommendations—final decisions are made by the board, not the committee.
- A committee has no authority to spend money. Only authorize a committee to make expenditures after discussing it with the township’s attorney and auditor. Any expenditures/payment would be made through the clerk and treasurer following board approval. A committee should not have its own bank account, checking or credit card.
- Establish a “sunset” date or dissolve the committee when the project is completed or when the committee is no longer needed.

Discuss the following questions:

### 1) Will compensation or expense reimbursements be given?

There is no requirement that compensation or expense reimbursements be given to advisory committee members, but a township board can determine a per diem payment or reimbursement for meetings and place a limit on the number of meetings held in a given period.

## 2) Are committees required to comply with the Open Meetings and Freedom of Information Acts?

Purely advisory committees are not subject to the Open Meetings Act, but a township board may require them to comply with the OMA.

Under certain circumstances, even a committee may be required by law to comply with the OMA, so a township board should consult with its attorney for a determination of whether a specific committee would be required to comply. Because the courts—and the public—may view any committee established by the township as a public body, I suggest that, while not automatically required by law, a township board consider requiring township committees to comply with the OMA.

Committee records are public records subject to the FOIA unless they fall under an exception in the FOIA.

## 3) Will committee members take an oath of office?

Committees are not required by law to take the oath of office. The township board may choose to require that committee members take the oath. Taking the oath lends credibility to the position and provides a record of the date and expiration of the appointment. Each signed oath must be filed with the township clerk.

## 4) Will a township board member serve on the committee?

Township board members may serve on committees, as long as a quorum of the board is not meeting. Often one or two board members serve on an advisory committee to maintain contact with and act as a liaison to the township board. This is an excellent way to utilize the skills of township trustees.

Note that the Charter Township Act states that the supervisor (or superintendent) is a member of all committees of the township board. (MCL 42.10(h))

## 5) Will the committee have bylaws?

It's a good idea to incorporate the board's decisions as bylaws for the committee. This can help ensure that the committee is actually working toward the purpose established by the board, and that it will not unintentionally violate state or federal statutes. If the committee develops its own bylaws, the township board should review and approve them.

*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.



 Steven Mann +1.313.496.7509 mann@millercanfield.com	 Patrick McGow +1.313.496.7684 mcgow@millercanfield.com	 Thomas Colis +1.313.496.7677 colis@millercanfield.com	 Katrina Piligian Desmond +1.313.496.7665 desmond@millercanfield.com
 Steve Frank +1.313.496.7503 frank@millercanfield.com	 Jeffrey Aronoff +1.313.496.7678 aronoff@millercanfield.com	 Ronald Liscombe +1.313.496.7906 liscombe@millercanfield.com	 Sean Rucker +1.313.496.7671 rucker@millercanfield.com

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# MTA part of a statewide coalition offering bold, comprehensive vision to invest American Rescue Plan funding to build Michigan's future

**M**TA is part of a statewide coalition, Coalition for a Strong and Prosperous Michigan, comprised of 40 organizations and individuals from across that state that has been working for the past several months on a plan to provide a comprehensive proposal to leverage the state's nearly \$6 billion in unrestricted federal American Rescue Plan Act (ARPA) funding.

*From Rescue to Prosperity: A Roadmap to Michigan's Future* was released in mid-October and presents a comprehensive roadmap to invest the ARPA resources. The plan is designed to revive and strengthen the state's economy, make Michigan attractive for talent, and support thriving communities now and into the future.

The plan focuses the state's ARPA resources in a coordinated fashion across five key areas:

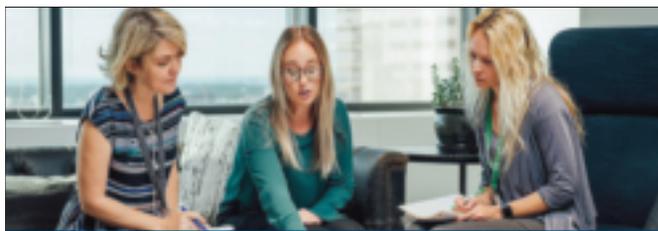
- **Infrastructure:** Resilient and sustainable water systems (\$2.5 billion) and high-speed broadband access (\$500 million)
  - Water infrastructure across Michigan is in desperate need of repair and replacement. The American Rescue Plan provides an opportunity to repair and replace aging water infrastructure, resolve public health problems, reduce environmental contamination, and provide current and future generations with resilient and sustainable systems. This roadmap leverages ARPA funds to make capital improvements, replace lead service lines, improve planning at the local level, and address issues of sustainability and resiliency related to water.
    - *Key investments:* Capital improvements, lead line replacement, drinking water assistance, PFAS mitigation, dam repair and retro fit, planning
  - High-speed broadband should be accessible to homes and businesses across Michigan to enhance economic development, provide access to education and life-long learning opportunities, and support remote work demands. Utilizing the American Rescue Plan, Michigan can support the buildout of high-speed broadband and help modernize the way we work and learn.
    - *Key investments:* Connecting Michigan Communities Grant Program, digital literacy, access to devices, mapping, and planning



- **Fiscal Health:** Smart investments that provide stability for state and local government (\$800 million)
  - Supporting the long-term fiscal health of the state and local governments of all sizes is key to stabilizing Michigan's economic landscape. State economic policy sets the stage for business growth and personal wealth creation. Local government complements state policy by balancing and tailoring quality of life, infrastructure and economic initiatives for a community's specific needs. Utilizing the American Rescue Plan to enhance Michigan's prosperity is strengthened by providing stability at the state and local level.
    - *Key investments:* Revenue sharing, Unemployment Insurance Trust Fund, technical assistance
- **Thriving Communities:** Attainable housing and community development (\$805 million)
  - Access to attainable housing and thriving communities have a significant impact on education, health, employment, economic and equity outcomes, while providing greater opportunities for wealth creation. Michigan can utilize ARPA resources to address the state's housing needs, invest in great

- places, and layer in wrap-around services to improve outcomes for all Michigan families.
  - *Key investments:* Housing and community development fund, building trades training, placemaking, nonprofit assistance, regional resiliency
- **Strong Economy:** Economic development, business assistance, skilled workforce and talent (\$910 million)
  - Recovering from the pandemic will require more than just a return to normal. To propel Michigan's future success, it is critical to learn from the experiences of the last year and a half and capitalize on the changing environment to make the state a model for recovery, innovation and growth. ARPA can help streamline Michigan's recovery, better connect talent to the state's growing job market, accelerate entrepreneurship, and increase community wealth.
    - *Key investments:* Office conversion, brownfield redevelopment, strategic and large site development, job training and direct business support grants, electric vehicle readiness
- **Public Health and Safety:** Healthy and safe people, families and communities (\$500 million)
  - Strengthening Michigan's health and safety infrastructure is critical to improving the quality of life for residents while protecting their ability to fully participate in their economy and community. Through ARPA, the state can make targeted investments necessary to support a safer, healthier and more stable population.
    - *Key investments:* Mental health and addiction services in rural and underserved areas, facility improvements, cybersecurity, restaurant licensing

"The pandemic affected every Michigander and every community," said MTA Executive Director Neil Sheridan. "It also highlighted the impact of years of disinvestment and cuts in Michigan's communities, particularly our rural areas where the digital divide and lack of broadband and other infrastructure disproportionately affected our students, families and businesses. The state's unrestricted American Rescue Plan dollars represent a once-in-a-lifetime opportunity to invest in and build up our communities, our people, our economy—laying a foundation for a stronger Michigan."



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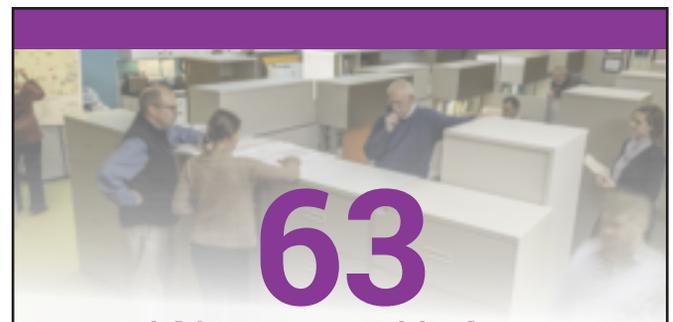



The plan recognizes the tremendous need for direct investment across multiple sectors with the goal of maximizing the one-time ARPA dollars while leveraging other resources to amplify and sustain future returns to help build a path forward for Michigan residents, businesses and communities. And given the fact that many communities will receive limited ARPA funds, the proposal recommends limiting match requirements in multiple areas.

The coalition represents a diverse mix of businesses, government organizations, local elected leaders and statewide associations. The aim is to advance a plan detailing the most impactful and strategic ways to invest Michigan's ARPA funding for future growth and prosperity. The coalition is presenting a bold vision to build Michigan's future that capitalizes on the economic value of thriving communities, advances equity, builds community wealth, supports entrepreneurship, prioritizes the need for talent, and spurs business development.

MTA, along with other coalition members, has begun working with the Legislature and the administration as they work to appropriate the federal funds in the coming weeks and months through various supplemental appropriations. We encourage our members to seek support from your legislators to maximize investment of these one-time funds and provide transformational change for our communities across the state.

Visit [www.miroadmap.com](http://www.miroadmap.com) for additional information and full details of the coalition's roadmap, along with a full list of coalition members.



**63**

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## Legislative lowdown

A quick look at critical bills that MTA is following as they move through the legislative process. For a complete list, see MTA's "Legislative Action Center" on the members side of [www.michigan townships.org](http://www.michigan townships.org), or look to our e-newsletters sent to all member officials.

**HB 4014: Speed limits**—Modifies procedure for establishing speed limits. *MTA supports.*

**HB 4084: Unlawful dumping**—Revises criminal penalties and civil fines for unlawful dumping of garbage. *MTA supports.*

**HB 4115: Liquor license**—Allows a local unit to adopt a resolution for on-premises liquor licensees to sell alcoholic liquor between 2 a.m. and 4 a.m. *MTA monitoring.*

**HB 4129: Elections**—Requires secretary of state to post on Department of State website a list of local clerks who are not current with continuing education training. *MTA monitoring.*

**HBs 4132-4133: Elections**—Creates felony penalties for knowingly submitting an absentee voter (AV) ballot application using another person's name and personal information and for submitting an AV ballot application with the intent of obtaining multiple AV ballots for a person. *MTA monitoring.*

**HB 4134: Elections**—Allows increase in allowable precinct size and requires permanent absent voter list. *MTA supports.*

**HB 4135: Elections**—Requires absent voter counting boards in cities and townships with more than one election precinct. *MTA monitoring.*

**HB 4172: Firefighter cancer presumption**—Extends presumption of causation to part-time, paid on-call and volunteer firefighters. *MTA monitoring.*

**HB 4192: Elections/replacement candidates**—Modifies the process for appointing a replacement candidate. *MTA opposes.*

**HB 4197: Local preemption**—Prohibits local laws that prevent local officials from cooperating with federal authorities regarding an individual's immigration status. *MTA opposes.*

**HBs 4211-4212: Law enforcement**—Increases penalties for disarming a law enforcement officer of a firearm. *MTA monitoring.*

**HB 4285: Candidate filing fees**—Makes filing fees for candidates seeking township office nonrefundable and designates use of funds for election equipment. *MTA monitoring.*

**HBs 4454-4461: Solid waste**—Revises current Part 115 solid waste law to create materials management plans, and places more emphasis on recycling and composting of materials. *MTA supports.*

**HB 4491: Elections**—Provides authority for county clerks to remove deceased individuals from the Qualified Voter File. *MTA monitoring.*

**HBs 4523-4524: Local rail grant separation program**—Creates a local grade separation grant program for the separation of motor vehicle traffic and railroad traffic. *MTA supports.*

**HB 4530: Elections**—Eliminates May and August election dates, and creates June primary. *MTA monitoring.*

**HB 4722 & SB 446: Land use/local zoning preemption**—Amends Michigan Zoning Enabling Act to preempt local units of government from zoning short-term rentals. *MTA opposes.*

**HBs 4766-4771: Asbestos abatement**—Revises laws that govern asbestos abatement in Michigan. *MTA supports.*

**HB 4822: Workers' compensation**—Provides for workers' compensation for COVID-19 presumption for police, firefighters and emergency medical personnel without positive test result. *MTA opposes.*

**HBs 4833-4834: Property tax**—Exempts certain heavy equipment rental personal property from taxation and replaces with a specific tax of 2% on the rental of that equipment. *MTA supports.*

**HB 4839: Elections**—Allows a township clerk to offer an annual absent ballot application that could be used for any or all elections held during a calendar year. *MTA supports.*

**HB 4845: Elections**—Requires the secretary of state to conduct signature verification training for county, city and township clerks. *MTA supports.*

**HB 5026: 9-1-1**—Modifies and extends the sunset for the emergency 9-1-1-service enabling act. *MTA supports.*

**HB 5282: Elections**—Prohibits intimidation of an election inspector or preventing an election inspector from performing his or her duties. *MTA supports.*

**HB 5293: Land Use/zoning preemption**—Preempts local zoning authority for child foster care institutions for a state licensed facility up to ten children. *MTA opposes.*

**HBs 5300-5302: Medical marijuana**—Creates special medical grower license for certain caregivers, limits to one location, requires registration and tracking of product, and provides municipal authority for civil enforcement. *MTA supports.*

**HB 5329: Property taxes**—Provides an opt-out option to designated assessor requirement. *MTA neutral.*

**SBs 22-23: Elections**—Limits millage elections to November elections. *MTA opposes.*

**SB 61: Shoreline permits**—Provides for expedited permit processing during high water. *MTA supports.*

**SB 306: Elections**—Requires the secretary of state to provide signature verification training for clerks and election inspectors. *MTA monitoring.*

**SBs 319-320: Septic system loan program**—Modifies strategic water quality initiative loan program and fund to create a municipality loan program and a resident loan program. *MTA supports.*

**SBs 429-431: Land use/local preemption**—Preempts local units of government on zoning and all regulation of sand and gravel mining operations, and places jurisdiction under the state Department of Environment, Great Lakes, and Energy. *MTA opposes.*

**SB 441 & HB 5326: Property tax assessments**—Clarifies valuation of wind energy systems. *MTA supports.*

**SB 442 & HB 4875: Land use**—Modifies conditions under which zoning ordinance may prohibit aggregate mining. *MTA supports.*

**SB 449: Unfunded mandates**—Creates the Headlee Unfunded Mandates Prohibition Act specifying a local unit of government would not be obligated to provide a new activity or service or increased level of activity or service required by state law unless the state appropriates the necessary funds to the local unit of government. *MTA supports.*

**SB 565: Appropriations**—Provides for supplemental appropriations for drinking water and water infrastructure improvements supplemental. *MTA supports.*

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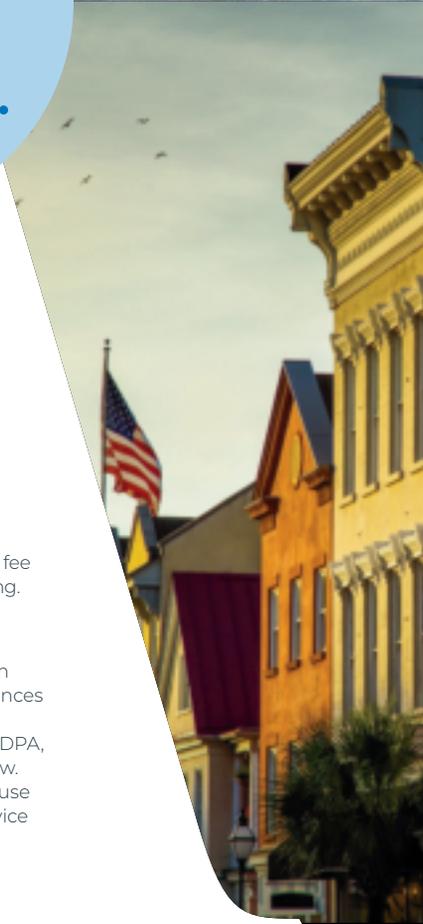


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# An unsustainable system

## Michigan's overlapping property tax limitations and their impact on townships

**M**ichigan taxpayers long ago became frustrated with property taxes. The cumulative effect of township (or city), county, school and others levying property taxes created burdensome tax rates in some places that effectively taxed people out of their homes. Additionally, the mechanics of the tax in combination with varying market forces created year-to-year variances in growth of the tax burden that made it hard to budget.

To lessen the overall burden and to improve year-to-year predictability in tax bills, voters adopted two tax limitations in the Michigan Constitution. In combination, they are some of the strictest property tax limits among the states. The Citizens Research Council of Michigan (CRC) recently dug into the working of the property tax system with these limitations in place to quantify how they are affecting both taxpayers and the local governments that rely on the revenues to fund services.

Sneak preview: the system is not sustainable for local governments or the state. CRC explains the issue, their study—and their findings—in the following article.

### **The Headlee Amendment and Proposal A**

The Headlee Amendment to the Michigan Constitution was adopted by voters in 1978 to place various limits on state and local finances, including limiting property tax revenue growth on a jurisdiction-wide basis to the rate of inflation. It accomplishes this by requiring local governments, including both charter and general law townships, to reduce (roll back)

their maximum authorized tax rates if cumulative growth in their tax bases increases faster than inflation.

While this unit-wide limitation helped quell some of the taxpayer angst of the times, its design failed to protect individual taxpayers from large yearly increases in their property tax bill. Its unit-wide application meant that some tax bills could grow faster than inflation if they were offset by decreases for other taxpayers.

Dissatisfaction with the Headlee Amendment limitation led to two changes in 1993 and 1994 that made the tax system unsustainable to support local government finances. First, the ability to roll up tax rates to recoup rolled back taxing authority was ended.

Second, a new assessment limit was included as part of the 1994 Proposal A school finance reforms. A new tax base was created, called taxable value (TV), and the measure capped the annual growth of TV to the lesser of 5% or inflation, excluding the value of new construction. TV is reset (“uncapped”) back to market value when ownership of property changes.



**With most local governments dependent on the property tax and that system predicated on local governments increasing their tax revenues through an ever-increasing tax rate and/or constantly chasing new development, we'll soon reach a new breaking point.**

While the two property tax limitations have the same intent of limiting growth of the property tax burden and controlling year-to-year changes, they work in very different ways. Both are pegged to the rate of inflation, but the Headlee Amendment limits unit-wide growth of the amount of taxes collected on existing property while Proposal A's TV system limits growth in assessed values of individual parcels of property.

#### **Tax limitation analysis model**

With 25-plus years of property tax data since the TV system was layered on top of the Headlee Amendment limits, CRC set out to understand how these limits interact and their impact on property tax revenue collection. To do this, they needed to isolate the effect of the tax limitations from policy changes, such as changes to the tax rate. Suppressing the tax base via these two limitations directly increases pressure on the tax rate to generate revenues, so CRC wanted to control for tax rate increases in order to understand the functioning of the limitations, individually and in combination.

Ideally, CRC would have tax data from all local governments in order to analyze a subset to determine the impacts of the tax limitations. Failing that, they found six counties (Chippewa, Jackson, Leelanau, Lenawee, Oakland and Ottawa) that have maintained property value data (both state equalized value (SEV) and TV), including additions to the tax rolls for new construction and losses for property taken off the tax rolls. From these counties, a cross section of townships and cities with different tax bases and growth patterns was selected.

The study used property value and tax data from 41 local governments to model how these tax limitations interacted retrospectively. In order to isolate the impact of the limitations, the 1993 authorized tax rate was applied to actual property values (SEV and TV) with the Headlee Amendment tax rate adjustments calculated based on the appreciation or depreciation of these property values.



Protections for taxpayers through tax limitations are important, but they must be balanced against the need to properly fund local government services. Property taxes should be part of a diverse revenue stream supporting local government; over-reliance on the property tax is burdensome to taxpayers and will run up against constitutional constraints on tax bases and rates.

The 41 local governments were sorted into six categories (counties, urban, suburban, exurb and rural communities) and the changes over the 25 years were aggregated for the cities and townships in each category. This article will focus on suburban, exurb and rural townships.

While CRC wanted to see how things operated across the entire period, they also wanted to isolate the functioning of the property tax system over three subperiods surrounding the Great Recession. The major economic downturn affected most Michigan local governments' finances, some severely. The analysis looks at how the tax limitations affected tax revenues 1) from the adoption of Proposal A in 1994 until the onset of the Great Recession; 2) as a result of the Great Recession; and 3) in the period since the Great Recession.

To understand how the tax limitations impacted townships, three scenarios were modeled:

1. **No tax limitations scenario** shows a property tax revenue scenario based on market value (SEV) as a contrast to the tax limitation scenarios.
2. **Headlee Amendment scenario** shows how the Headlee Amendment limitations alone would have impacted property tax revenues had the TV system not been layered on top of it.

3. **Headlee Amendment and Proposal A scenario** reflects current law (using the 1993 millage rate) with levy and assessment limits that restrain property tax growth.

Again, these scenarios will not align directly with the tax revenue history of the townships modeled because they represent hypothetical tax collections that do not account for tax rate changes that might have been enacted.

## Suburban communities pre- and post-recession

Townships and cities were categorized as suburbs based on their proximity to a major city. The study looked at three cities and five townships (**Park Township** (Ottawa Co.), **Elmwood Charter Township** (Leelanau Co.), **Summit Charter** and **Blackman Charter Townships** (Jackson Co.), and **Kinross Charter Township** (Chippewa Co.). These townships all grew in population over the time period of the study.

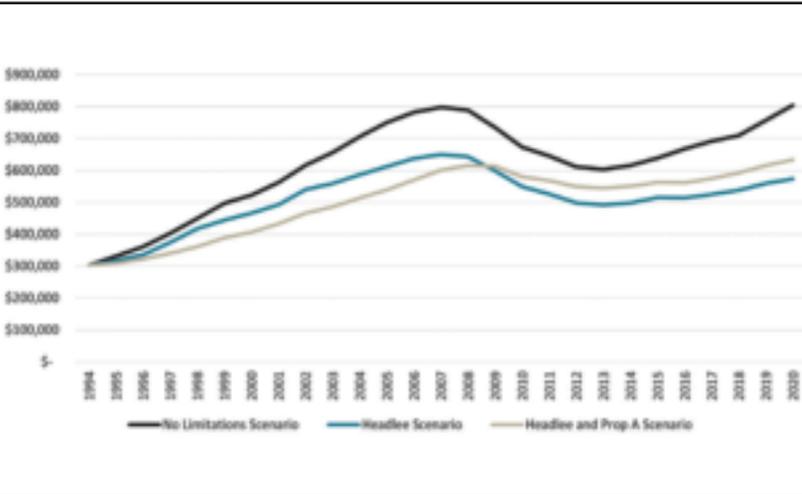
**Chart 1** highlights the impact of the Great Recession on property tax revenues and the tax limitation scenarios in **Summit Charter Township** (Jackson Co.) as an illustration of what was seen in the suburban townships.

You'll recall that the period prior to the Great Recession was characterized as a housing bubble with rapid appreciation of property values. The market value of the suburban townships studied grew an average of 7.3% during this period.

The use of TVs for individual parcels resulted in slower annual growth in property values and revenue than if Michigan continued to limit taxes via the Headlee Amendment only. The scenario with just the Headlee Amendment limitation restrains revenue growth not by limiting property value growth but by requiring tax rate rollbacks when market values increase more than inflation. Therefore, townships would have had their tax rates rolled back much more significantly if Michigan had only the Headlee Amendment than was the case with both tax limitations. The difference in tax revenue growth across the two scenarios was negligible.



**Chart 1**  
**Property Tax Scenarios in Summit Charter Township, 1994 to 2020**



**Source:** Michigan Department of Treasury, SEV and TV data from reports L-4028 and L-4029 and Ad Valorem Tax Levy reports, Citizens Research Council calculations.

While property values did fall as a result of the housing bubble burst and Great Recession, they did not decline as much in Summit Charter Township as they did in some other communities, particularly in Southeast Michigan where property values dipped below levels from 2000. Tax revenues based on market values in the suburban townships declined an average of 3.6% per year. This same annual rate of decline would have been experienced with only the Headlee Amendment in place, but the townships would have only lost 1.4% per year with both tax limitations in place.

Growth of property values has been slower on the heels of the Great Recession, averaging 3.8% per year for the suburban townships. The greater rollback of tax rates under the Headlee Amendment scenario has significant consequences after the recession, with property tax revenue growing only 1.9% per year. Annual tax revenue growth in the scenario with both tax limitations was only slightly better at 2.1%.

The experience of 25 years illustrates the differences of the two tax limitations. They both restrict tax revenue growth and keep revenues well below what they would be if they were based on market growth with no limitations. The fact that potential revenues were higher with both limitations after the recession suggests that the TV system served to lessen the impact of the Great Recession and allowed TVs to keep increasing while market values were declining. Instead of a compounding effect, this suggests a mitigating effect for Proposal A, which lessened the tax revenue decline as a result of the recession.

Property tax base growth was slower when using TV rather than SEV, but this dynamic lessened the tax revenue declines associated with the recession and kept tax rates higher because the slower growth triggered fewer tax rate rollbacks. The suburban townships would have had one-third of their taxing authority rolled back in the absence of the

Proposal A limit, but they only averaged a 10% rollback using TV. Having both tax limitations helped municipal officials maintain their budgets through this downturn.

It is important to note that without the Great Recession and the property value declines that occurred during it, the numbers might look very different. The recession and its precipitous drop in property values led to the Headlee Amendment limitations being particularly severe. Property values were growing significantly before the recession causing millage rates to be rolled back; once property values fell, the millage rate was already rolled back so that local governments ended up with lower tax rates applied to smaller tax bases. Within this system, the end of tax rate roll-ups enacted in 1993 had the strongest influence on limiting taxes.

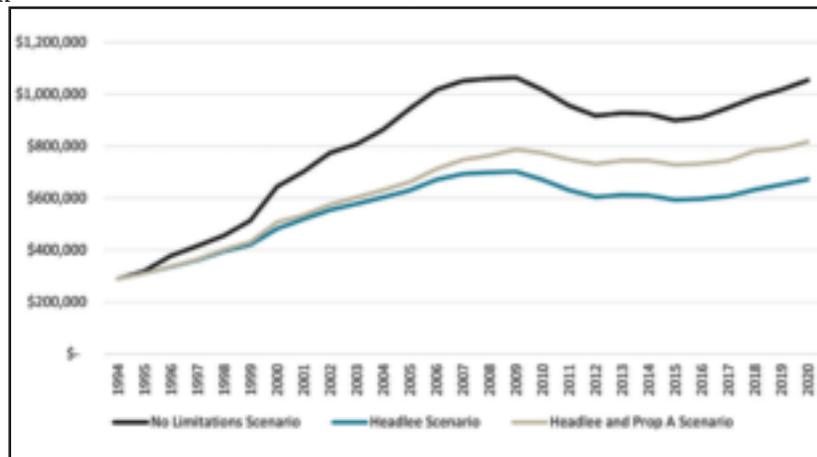
Even though the Great Recession could not have been predicted at the time that Proposal A was passed, Proposal A served to mitigate some of the effects of the recession on property values and tax revenues. That being said, Michigan should not base future tax policy on a once-in-a-century event like the Great Recession.

### Exurb communities pre- and post-recession

The exurb townships are all located outside of denser suburban areas but have an economic and commuting connection to a central city. They tend to have high median incomes, low housing density, and high rates of development and population growth, resulting in greater tax revenue growth. The exurb townships for this analysis were **Allendale Charter Township** (Ottawa Co.), **Brandon Charter, Highland Charter and Oakland Charter Townships** (Oakland Co.), **Grass Lake Charter Township** (Jackson Co.), and **Cambridge Township** (Lenawee Co.).

**Chart 2** shows how the three tax revenue scenarios reacted in **Cambridge Township** as an example of the exurban townships.

**Chart 2**  
**Property Tax Scenarios in Cambridge Township, 1994 to 2020**



**Source:** Michigan Department of Treasury, SEV and TV data from reports L-4028 and L-4029 and Ad Valorem Tax Levy reports, Citizens Research Council calculations.

# cover story

The exurbs were major beneficiaries of the property value growth before the Great Recession, as reflected by the 9.4% annual growth experienced by the townships in our study. Again, there was negligible difference in revenues with only the Headlee Amendment or both tax limitations; both were working toward the same goal in different ways. Tax revenues grew faster for exurb townships than suburban townships during this period because they enjoyed more new development, which is not subject to tax rate rollbacks.

The Great Recession affected exurban townships more than suburban townships. Again, we see that the reservoir of untapped property value with the TV system mitigated the tax revenue decline lessening the financial impact of the economic downturn for the township officials working to maintain their budgets. Using TV instead of SEV to calculate jurisdiction-wide growth minimized the loss of taxing authority to enable more tax revenue growth after the Great Recession with both tax limitations than if Michigan was only using the Headlee Amendment tax limitation.

In these communities with rapid development, the TV system does not restrict the tax base as much as in other types of communities because tax base growth created by new development is not limited. After the Great Recession, the space between the two tax limitation lines was greater than in other types of communities, meaning that the revenue potential in the exurb communities was significantly greater with both tax limitations than with just the Headlee Amendment.

The rapid appreciation of existing properties because of the new development would have caused these townships to lose almost half of their authorized tax rates if Michigan was using only the Headlee Amendment, but they lost a little more than 15% with rollbacks based on TV.

## Rural communities pre- and post-recession

The rural communities included in the study are made up of 12 townships that range in size from around 200 to over 2,700 residents. **Chart 3** shows the property tax revenue growth in **Pickford Township** (Chippewa Co.) to illustrate the rural communities, which included **Centerville, Kasson and Leland Townships** (Leelanau Co.), **Chester Township** (Ottawa Co.), **Hudson and Ogden Townships** (Lenawee Co.), **Chippewa, Drummond Island, Pickford and Whitefish Townships** (Chippewa Co.), and **Parma and Pulaski Townships** (Jackson Co.).

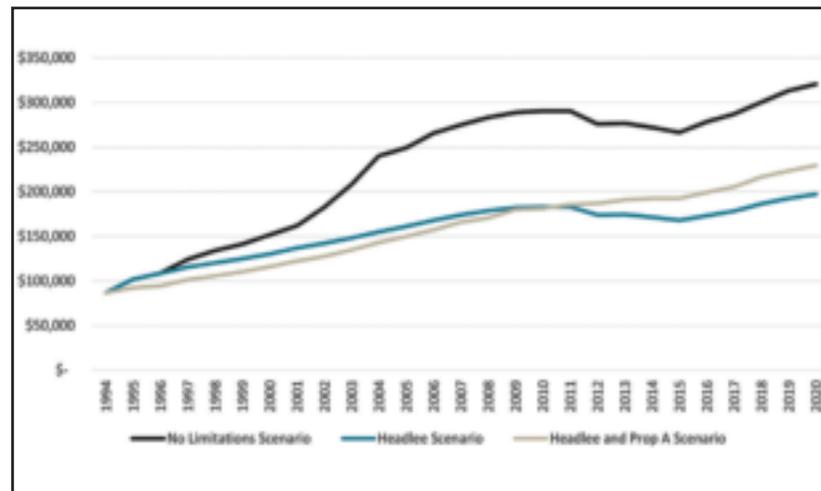
Similar to the experience in exurb communities, market values in the rural communities grew 9.1% per year prior to the recession. With less new development than the exurb communities, tax revenues in the tax limitation scenarios grew at much slower paces with little difference between them.

The rural communities are all out-state rather than in Southeast Michigan, and the Great Recession had less of an

impact on property values and property tax revenues. Market values declined an average of 2.3% annually. While that decline is reflected in tax revenue declines in the Headlee Amendment scenario, the reservoir of untapped value allowed tax revenue to continue growing in the scenario with both limitations.

Growth of property values in rural areas has been slow since the Great Recession, allowing tax revenue to grow at about the same rate in any scenario.

**Chart 3**  
**Property Tax Scenarios in Pickford Township (Chippewa Co.), 1994 to 2020**



**Source:** Michigan Department of Treasury, SEV and TV data from reports L-4028 and L-4029 and Ad Valorem Tax Levy reports, Citizens Research Council calculations.

## An unsustainable tax system

Many parts of Michigan are experiencing booming housing markets that are increasing property values. The fact that this is reflected in growth in SEV means little to township finances. The growth in TV is restrained by the overlapping tax limitations that have created a system where the only real estate change that allows local governments to generate growth in tax revenue is new development.

Property taxes are levied on TV, which can grow in one of three ways: 1) appreciation of existing property, 2) uncapping TV when properties are sold, and 3) new development. Appreciation is constrained because year-to-year changes in TV are limited to the rate of inflation. The second path isn't fruitful because the Headlee Amendment requires tax rate rollbacks when properties are sold and revert back to market value.

Local governments are left with two options to overcome these strict limitations: encourage new development or increase tax rates within the allowed statutory guideposts. For urban townships that are built out with little land available

for new development, this is a problem. For townships that still have land to develop, this will become a problem one day. Land is a finite resource and tax systems that only reward new development promote competition and urban sprawl. This system leaves no room for redevelopment or revitalization. If local governments do not see a revenue benefit from investing in their community, it is hard to maintain that investment.

### Why hasn't the property tax burden changed?

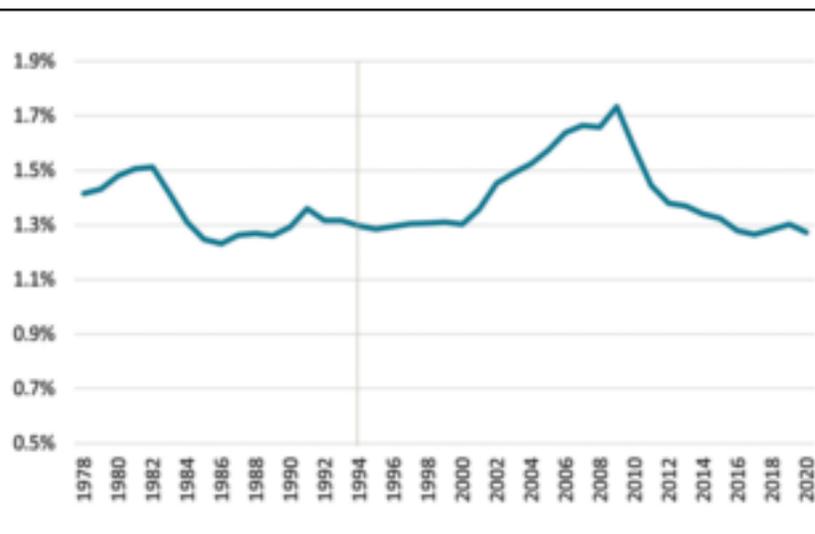
The question is then, if Michigan's overlapping tax limitations are causing tax bases to grow much less than market value and less than inflation in many instances, why has the property tax burden been relatively stable? It did go from being above the national average in 1978 to below it by 2018, but it has been relatively stable across the years as a percent of personal income (see **Chart 4**).

The answer lies in the one thing that local governments still have some control over—tax rates. While this analysis purposefully left changing tax rates out of the different scenarios, anecdotal evidence suggests that local governments have responded to restrained tax bases by requesting voter approval to increase tax rates or levy more property tax millages.

For instance, over 80% of local governments in Oakland County have increased their tax rate since 2007. And in the recent May 2021 election, 79% of the more than 140 local tax-raising proposals passed. These include both Headlee Amendment overrides and new dedicated millages.

These new millages do not include ad valorem special assessments, which have grown over the years and in 2019 were levied by 11% of all local governments and brought those governments \$195.2 million in revenue.

**Chart 4**  
Local Government Property Tax Levy as Percent of Statewide Personal Income



Source: U.S. Bureau of Economic Analysis, Regional Data, GDP and Personal Income; Michigan Department of Treasury, Ad Valorem Tax Levy Reports, Citizens Research Council calculations.



Local governments are left with two options to overcome strict limitations: encourage new development or increase tax rates within the allowed statutory guideposts.

### Policy alternatives

The design of Michigan's current municipal finance system is not sustainable. With most local governments dependent on the property tax and that system predicated on local governments increasing their tax revenues through an ever-increasing tax rate and/or constantly chasing new development, we'll soon reach a new breaking point. It is important to recognize that property taxes alone are not sufficient to fund all local government and no tweaks to the tax limitations are going to undo that. Property taxes should be part of a diverse revenue stream supporting local government; over-reliance on the property tax is burdensome to taxpayers and will run up against constitutional constraints on tax bases and rates.

Some possible policy options include:

- **Diversify local revenue sources and cooperate on service provision.** A stable source of tax revenue is desirable and taxpayers want limitations, but it costs money to provide government services. Local-option taxes, such as income or sales-based taxes, paired with the property tax would serve both residents/taxpayers and local governments. It would be hard to do this on a city and township level. This could be addressed by reforming state revenue sharing to require more sharing of diverse taxes with local governments and/or by levying diverse taxes at a more regional level.

# cover story

- **Eliminate the Headlee Amendment limitation on tax revenue growth.** Once the TV system was enacted, the need for Headlee tax rate rollbacks became less clear. If this change was made, then individual property owners would still have their yearly tax bill limited to inflation, but property tax millage rates would not be rolled back when property is sold and tax bases pop up. This would help all communities, though the gain is small in some communities.
- **Reinstate Headlee Amendment roll-ups to allow the tax rate to increase back to the voter-authorized rate when property values are declining or growing more slowly than inflation.** From 1979 to 1993, local governments had the ability to recoup lost taxing authority when their tax bases grew slower than the rate of inflation. While it would have been useful to have this ability during the Great Recession, the CRC study found that roll-ups would provide very little tax relief now.
- **Change the method for measuring taxpayers' ability to support the government to something with more growth potential than the Consumer Price Index (CPI).** By allowing tax base and tax revenue to grow at the rate

of inflation, the designers of these limitations picked an economic measure that has grown more slowly than other measures, such as the cost of local governments' provision of public services and personal income.

## Balancing protections and proper funding

Protections for taxpayers through tax limitations are important, but they must be balanced against the need to properly fund local government services. Maybe that is addressed by reviewing the need for multiple tax limitations, maybe it is addressed by allowing local governments to levy more than just property taxes, or maybe it is some combination of these things.



**Eric Lupher**, President  
Citizens Research Council of Michigan

Read CRC's full report, "Michigan's Overlapping Property Tax Limitations Create an Unsustainable Municipal Finance System," at <https://crcmich.org>.

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# ‘Strive for a safe, fair, secure election’

Township receives national recognition for elections innovations

**C**ompared to last November, the clerk’s office in **Canton Charter Township** (Wayne Co.) is a little less hectic this year.

“The breakneck speed has slowed, COVID is not currently surging the way it was at the time,” said Clerk **Michael Siegrist**.

But even though the township isn’t conducting an election this month, Siegrist continues to reflect on the lessons learned over the past year, changes implemented to ensure election security and success, and how the township can continue to best serve its residents moving forward.

Over the past five years since Siegrist first ran for elected office, he has faced continual changes when it comes to elections administration—everything from equipment and technology upgrades, to the expansion of voter rights with the approval of Proposal 18-3, followed by the safety and procedural changes brought about by holding an election in a pandemic, coupled with contention and distrust during a volatile presidential election.

Through it all, Siegrist has sought out advice, insights and experiences from fellow clerks around the state and the nation for systems, processes and best practices that can improve elections in his community, and worked to implement innovations to enhance the process for voters, election staff and the overall integrity of elections for the township.

Canton Charter Township was honored for these innovations when it was one of three Michigan communities to receive a national Clearinghouse Award from the Election Assistance Commission. The township received its “Clearie” Award for “Outstanding Innovations in Elections” for four tools it implemented to improve election services during the pandemic—some of which they will continue to use long after COVID-19 is fully behind us.

## **Leaning in to the challenge**

Canton Charter Township was no different than any other Michigan township in 2020—facing extraordinary challenges during unprecedented times. Like all townships, Siegrist’s clerk’s office was forced to recalibrate and innovate for how it interacted with the public.

“We decided to lean into the challenge and find innovative, replicable, low-cost adjustments that helped respond to the changing environment,” Siegrist wrote in his “Clearie” submission. “Beyond the pandemic, our office made it a goal to make changes that would permanently increase efficiency and created a pathway to accessibility and relevance in the future.”

# feature



The resulting four efficiencies and innovations led to improvements that helped to streamline and enhance the voter experience during a November presidential election like no other. And best of all, Siegrist believes that, with some hard work and dedication, these efforts can be replicated in any township, of any size, at little to no cost.

With limits on gathering capacity and building access during the pandemic, Siegrist's team reimagined how to use common technology—restaurant waitlist software—to help manage residents visiting the office and limit time congregating and waiting to speak to a staff member. The software allowed individuals to check in while waiting in line and designate why they were visiting the office. They could then wait outside the building or away from the counter until it was their time to speak with staff.

The software proved valuable come election time as well. "It allowed our staff to manage curbside service for at-risk individuals, those exposed to COVID-19, or our many election inspectors—to pick up and drop off election supplies," the submission stated. "According to [election] challengers present, they would often mark 'no line' when observing our office."

The estimated wait time to vote in the township, from the point of check-in, was as low as five minutes at some points. Siegrist noted that he had been told that the statewide average was 30 minutes—with some jurisdictions having hour-long lines. With the software having a low-cost monthly fee, with no commitment, Siegrist truly believes that any municipality could implement its use. "Using software like this also provides the potential for contract tracing, data analysis, and customer service review for our office," he added.

The second innovation brought about in the township was necessitated by the pandemic and the hazards of bringing large groups of people together. The township has hundreds of election inspectors, who typically gather for in-person training. In 2020, however, the training was fully virtual, with videos and online forms that served both as an application and knowledge check. The in-print manuals and guides were converted to PDFs and uploaded to a website for easy access. The ability of inspectors to refer back to and review videos and other online materials resulted in a greater depth of knowledge.

"During the November election, we saw basic inspector questions and misunderstandings drop dramatically from prior elections," Siegrist reported. "Although many clerks' offices will prefer in-person and hands-on training, this provided an exciting alternative to those with disabilities, those unable to attend large in-person classes, or those who may have language barriers with spoken English lecture settings. It also allowed our office to ensure that inspectors are receiving equal training."

The township also invited in area media to ensure that correct elections-related information was shared, helping to combat the misinformation that is often rampant on social media. Through these earned-media stories, election officials showed the process of mail-in voting, equipment testing and ballot processing. The end result? A long-lasting relationship and an open-door policy for journalists to vet information about the election process before running publications that may be inaccurate.

The township took election training to the next level by taking part in a free Federal Emergency Management Agency (FEMA) training on incident management—considering the election as a large-scale incident in order to improve communication and efficiency to ensure Election Day was as smooth and positive as possible for voters. The elections team switched to what Siegrist calls “a law enforcement dispatch-style communication system,” using police radios and designating employees as “field reps” to manage requests and respond to precinct issues.

“It was the most efficient, safest and most communicative method of responding to Election Day issues we have ever attempted,” Siegrist wrote. “Treating Election Day like a large-scale incident, and managing our team with inspiration from FEMA, really did increase our professionalism and response. All of this translates to safer precincts, quicker response times and shorter lines.”

### **Continuing to innovate and improve**

Although the uncertainty and restrictions of the pandemic are (mostly) behind us, Canton Charter Township is continuing to use lessons learned from the past year while serving their residents and voters and in finding inspiration in the spirit of cooperation and unity that resulted from collaborating over the past year. They are also continuing to seek new ideas to improve their operations. Township staff, for example, worked in neighboring cities during the August primary, in an effort to help their fellow clerks and bring back best practices to their office.

In addition, while Siegrist would like to resume some in-person training and hands-on workshops for election inspectors, he expects to continue using some elements of the virtual training developed last year. “We will continue the online training for technical elements, along with the test that was developed to ensure inspector proficiency,” he said. “The virtual electronic poll book training is extremely helpful for inspectors to review on their own, multiple times, and in the convenience of their own homes.”

### **Dedicated to election integrity and voter rights**

While a relatively new clerk, with five years under his belt, Siegrist is dedicated to learning and doing as much as he can to ensure excellence and efficiency in his elected office. In fact, he was named the 2021 Township Clerk of the Year—after being nominated by four separate individuals—by the Michigan Association of Municipal Clerks. He is working toward becoming a certified election

registration administrator through the Election Center in the National Association of Election Officials and is enrolled in a University of Minnesota post-graduate program for a certificate in election administration.

“Both of these certification programs have allowed me to learn best practices from other states, analyze their election laws, and identify measures worth implementing here,” Siegrist said. “Michigan is one of only eight states that administer elections at the jurisdiction level, and Canton has a large population. So, many times, we look to counties in the 42 states that run elections at that level for inspiration.”

When asked what he would like members of the public to know about elections administration, Siegrist said, unequivocally, that with his knowledge of elections systems around the nation and having run local elections, “I have 100% confidence that our elections system is healthy. I would cast my ballot in any jurisdiction, in any state, supervised by any election official, from any political party and know, without a shadow of a doubt, that my ballot was counted as I voted it.”

Siegrist has become known as something of an expert on elections integrity and voter rights, with national news outlets reaching out to him for insights and interviews. As cultural and political tensions have been on the rise in recent years, he knows full well the hard work, dedication and commitment his team—and all elections officials—continue to demonstrate on the front lines of democracy. And he works every day to stay inspired, and continue to inspire his team and all who work to administer local elections.

“I am no stranger to the current cultural tension around election administration,” he said. “Election administration is complicated, and when you don’t know how anything works, everything looks like a conspiracy. This, coupled with hyper-partisanship and social media that allows misinformation and disinformation to masquerade as truth, are heavy burdens to carry. In order to not get overwhelmed by this, I focus on my oath of office. I dedicate my energy toward faithfully discharging the duties of my office and working hard for all residents, regardless of whether they voted for me or have unwarranted concerns about the work we do.

“It is my job to work for them, to help answer their questions, and to strive for a safe, secure and free election.”

## **MTA has election resources you need**

Township clerks, board members and election workers can turn to MTA resources and training for the updates and information they need to help administer local elections.

- Our Online Learning Center includes a five-part “**Elections Tips and Fundamentals**” webinar series as well as a quick one-hour “What Boards Need to Know About Elections” *Now You Know* session. Visit <https://learn.michigantownships.org> to learn more.
- The member side of [www.michigantownships.org](http://www.michigantownships.org) has numerous webpages on election issues, administration, election worker pay and more. Access via the “Index of Topics” under the “Answer Center” tab after logging in.



## MTA's return to in-person learning draws officials to the U.P.

More than 100 township officials, guests, speakers, MTA staff, legislators and vendors gathered in September for a much-awaited event—our return to in-person learning with the *UP North Summit*. Held over two days in mid-September at the Island Conference Center in **Harris Township** (Menominee Co.), the event was a celebrated opportunity to gather and learn together during the continued transitional time.

According to both the hallway chatter and attendee comments after the event, it was worth the long wait to assemble with colleagues and peers once again. The smaller, more intimate event allowed officials to easily transition back into the first in-person MTA event since February 2020. “It’s small and easy to talk to people,” one attendee noted, while another appreciated the efforts and adjustments made for participant safety, saying, “Well put together for these times—thank you for the extra effort.”

Indeed, many other echoed that seeing familiar faces—and meeting and connecting with new ones—was a highlight of the event, after the time of distance and separation. “Everything was well planned and it was good to meet with other township officials again,” one attendee said. “MTA did a great job in planning everything just right again.”

Meanwhile some attendees were also thrilled to showcase their picturesque corner of the world. “We need to let the people know about our U.P. paradise,” one quipped.

MTA leadership was on hand to welcome attendees, including 2021 President **Peter Kleiman**, Harris Township supervisor, who helped kick off the event—which was held in the township in which he has been a life-long resident. Kleiman praised officials for making continued learning a priority. “It’s a real learning experience,” he said of public service.

The event connected attendees with northern Michigan and U.P. lawmakers—Sens. Ed McBroom (R-Vulcan) and Wayne Schmidt (R-Traverse City) and Reps. John Damoose (R-Harbor Springs), Beau LaFave (R-Breitung Chtr. Twp) and Greg Markkanen (R-Hancock)—as well as the director of the state Marijuana Regulatory Agency, elections, outdoor recreation and assessing experts, and more. Attendees were even treated to a “Township Tailgate” evening event, with dinner, games and entertainment to continue the time of camaraderie.

MTA Executive Director Neil Sheridan summed up the feelings of finally coming together, when he said, “This is a remarkable organization, and the challenges we face are also remarkable. We are delighted to be here, to be with you and to share this moment.”



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## Did you miss the UP North Summit? Catch it on demand today!

If you weren't able to attend MTA's *UP North Summit*, we have great news for you! You can still take part in ALL the learning by purchasing the virtual event, now available on-demand in MTA's Online Learning Center. That's right, watch every session, whenever and wherever you wish, through the end of the year, for one low rate!

### ***UP North Summit***

Packed with 12 informative sessions featuring topics relevant to the entire township board, and some tailored to the duties specific to your township board position. Featured sessions include a panel of legislators, a legislative update, insights from the state Marijuana Regulatory Agency, and an overview of the board's role when it comes to assessing. You'll also have access to every breakout session, covering a wide range of topics, including elections, lawful expenditures, solar energy, ordinances, fraud prevention and more!

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### ***Our Professional Development Retreats are available on demand, too!***

Whether you are a clerk, treasurer, supervisor, trustee, or member of your township's planning and zoning team, we have the specialized training for you. The on-demand version of our *Professional Development Retreats* lets you pause, rewind and watch all nine sessions again at your convenience, 24/7 through the end of the year.

Cost is \$290; Premium subscribers pay only \$232. Visit <https://bit.ly/MTAVirtualretreats> to review the line-up for your office or to register.

# aroundthestate

townships in the spotlight



## Norway Township

**N**orway Township (Dickinson Co.) is approximately 89 square miles, home to 1,400 people and has rolling hills, farmland and rugged terrain, including cliffs, swamps, and many small lakes and streams. Within the township is more than 29,000 acres of the Copper Country State Forest.

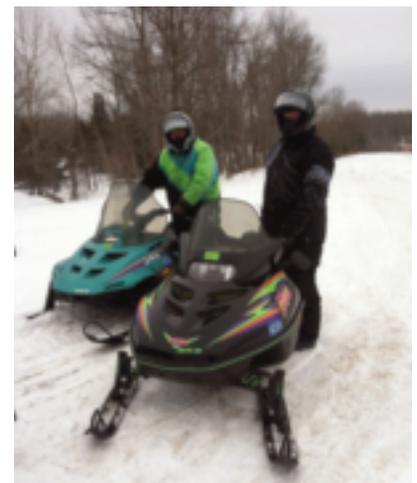
Because of the large amount of state-owned land, there are many opportunities for recreation. Hunting and fishing are popular activities, as are canoeing and kayaking. Norway Township is home to the Piers Gorge State Recreation Area, which has the only Class 4 whitewater rapids in the Midwest. There are numerous boat launches on the many lakes and rivers in the area, and Carney Lake State Forest Recreation Area also features a rustic campground. The township has ample hiking, biking, horseback riding, birdwatching, mountain biking and ATV riding options for residents and visitors. There are several state-owned ATV trails available in the township. Oak Crest Golf Course, owned by the nearby City of Norway, is located within the borders of Norway Township and is an excellent public course with many golf tournaments held throughout the season.

For those who prefer winter activities, the township has miles of groomed snowmobile trails and cross-country ski trails, as well as acres of land for snowshoeing and dog sledding.

Located within the township is the Dickinson County Fairgrounds. The fair has been held annually on Labor Day weekend for more than

100 years, making it the oldest county fair in the state. During the summer, the fairgrounds are used for stock car racing each Friday night and horse shows on the weekends. In September, the Just Cruisin' Car Club holds their annual car show and swap meet.

The Village of Vulcan, the only village in the township, is a mix of old and modern architecture. Many of the large old homes along the Hanbury Lake shore still look as they did in the 1800s. The Norway Township Hall, built in 1905, is located in this area. The Penn Mining Store, the first store on the Menominee Iron Range, was built in 1873 and is currently in use as a private residence and a small candle and soap store. St. Barbara's Catholic Church dates back to 1908, and has been renovated to look as it did when first built. New subdivisions are nestled within the old architecture, giving the area a taste of old and new.





**F A L L**

*into savings*

At MTA, we are honored for the opportunity to educate Michigan's township officials and decision-makers year-round. We know that schedules and preferences may not allow you to participate in our in-person training when it's offered. That's why our Online Learning Center is more valuable than ever, allowing you to watch, and learn, at your convenience.

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