



WEEKLY LEGISLATIVE REPORT

March 5, 2010

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Please route to all interested parties in your township.

PILT LEGISLATION CREATES NEW PROCESS FOR LOCAL GOVERNMENTS

Legislation approved by the Senate this week changes the process on how local governments submit statements for reimbursement for payments-in-lieu-of-taxes (PILT) on state-owned land and implements timelines. HB 5645, sponsored by Rep. Fred Durhal Jr. (D-Detroit), originally intended to implement the 12% cut in PILT payments approved for the current budget year, was substituted in the Senate with an S-2 version to also impose long overdue deadlines for the state to send payments to local governments each year. The most recent changes to the bill are the product of discussions amongst the MI Dept. of Treasury, MTA and other local governments over the past month. HB 5645 also attempts to address concerns raised by Treasury that local governments are not always submitting correct PILT statements to the state and are not doing so in a timely manner. The bill requires the following: each local unit of government that has state-purchased land (PILT) must submit the PILT statement to the county by Dec. 1 of each year; the county must forward the PILT statements to the MI Dept. of Treasury by Dec. 15 of each year; and the state must make payments to each local unit by Feb. 14 of each year. The legislation would apply to PILT statements that would go out in Dec. 2010 and later. The bill has no impact on swamp tax property owned by the state (parcels where statements are currently not sent to the state). HB 5645 now goes back to the House for a concurrence vote before being forwarded to the governor for her signature.

SENATE BEGINS HEARINGS ON GOVERNMENT EMPLOYEE HEALTH CARE

The Senate Reforms and Restructuring Committee took testimony this week on legislation that would require all public sector employees in the state to pay at least 20% of the cost of their health care plan. At issue were SBs 1046 and 1047, offered by Sens. Mark Jansen (R-Gaines Chtr. Twp.) and Alan Sanborn (R-Richmond Twp.). Also under discussion was SJR P, a resolution to amend the state constitution to allow the legislation to impact certain public employees who are not under the domain of legislative powers. SB 1047 would open state health care plans to local government employees; something the governor has already ordered through executive directive. This legislation would reinforce that directive. SB 1046 would prohibit local governments from paying for more than 80% of the premium costs for their employees. The legislation would allow 90% to be paid if high-deductible plans were used. A substitute was discussed that would allow townships, cities, villages and counties to opt out of the program with a two-thirds vote of the governing board each time the contract was renewed. SJR P was required to allow the Legislature to supersede the constitutional powers of the State Civil Service Commission and University Boards on this issue.

HOT ELECTION ISSUES ADDRESSED THIS WEEK BY HOUSE AND SENATE

The full House overwhelmingly passed legislation (91-16) to require those requesting recounts to pick up more of the costs for the recount. The bill, HB 4821, introduced by Rep. Dan Scripps (D-Leland Twp.), raises from \$10 to \$25 the amount per precinct that a recount petitioner would need to deposit with the clerk in normal situations. The bill establishes a \$125 deposit per precinct. In situations where the difference between the winning candidate and the losing candidate is more than 50 votes or 0.5%, whichever is greater, of the total votes cast in the race; or in situations where more than one candidate is being elected, if the winning candidate who received the least number of votes and the petitioner is more than 50 votes or 0.5% of the number of votes received by the two candidates. Meanwhile, the Senate Education Committee took testimony on a package of bills (SBs 751-756) that would require school district elections to move from May to one of three possible alternative dates. The key bill in the package is SB 751, introduced by Sen. Cameron Brown (R-Fawn River Twp.), which would require school district elections to be held on either the November odd-year election, the August even-year election or the November even-year election. No vote was taken on the package as differences are yet to be negotiated but a vote could come in the near future.

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