



## WEEKLY LEGISLATIVE REPORT

March 12, 2010

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Please route to all interested parties in your township.

### **HOUSE COMMITTEE CUTS REVENUE SHARING; SENATE COULD CUT DEEPER**

The House General Government Subcommittee on Appropriations on Tuesday reported an H-1 version of HB 5880 that reduces revenue sharing next fiscal year for townships, cities and villages by \$10 million and cuts counties by \$3.6 million. This is a cut compared to the current fiscal year amounts. This represents a 3.1% cut on the total amount of statutory revenue sharing. The bill also reduces constitutional revenue sharing by \$19 million, or roughly 3% compared to the current year level due to declining sales tax collections by the state. MTA testified against the cuts and explained to the subcommittee that the state is hitting local governments with a double whammy, as property tax assessments were just recently sent out and will ultimately amount to significant reductions in property tax revenues collected by local governments. HB 5880 now goes to the full House Appropriations Committee for consideration and could see action next week. It would then move to the Senate. MTA learned on Thursday that the House cuts may not be deep enough for the Senate. It appears the Senate is considering a 5% cut to revenue sharing or \$52 million less than Gov. Granholm recommended in her budget. It is not clear if this is a cut to statutory only or includes adjustments to constitutional revenue sharing (due to lower sales tax collections). The governor has proposed to freeze revenue sharing amounts for next fiscal year. MTA will continue to update township officials with legislative activity related to the state budget approval process.

### **SENATE MOVES TO CHANGE ASSESSMENT NOTICES**

Boards of review are taking place in every corner of the state and the Senate Finance Committee decided it was time to deal with issues related to the boards of review. The committee reported out SB 395, offered by Sen. Roger Kahn (R-Saginaw Chtr. Twp.). The legislation amends the property tax act to require all assessing units to mail assessment notices to property owners earlier than currently required. Current law stipulates that assessment notices are to be mailed at least 10 days prior to the meeting of the board of review. SB 395, as introduced, would have moved that requirement to 30 days. However, the legislation was amended to move the requirement to 14 days. The legislation is in response to citizens who are concerned that insufficient time is allowed to compile their cases between the time period when the notice is received and when the hearings occur. Obviously, MTA is concerned that the time frame for actually creating the assessments is being squeezed from both ends. A 30-day requirement may have collapsed the system. Even at a change of four days, MTA still has concerns regarding the ability to achieve the task in a timely manner.

### **SENATE EDUCATION COMMITTEE REPORTS SCHOOL DISTRICT ELECTION BILLS**

The Senate Education Committee reported a package of bills (SBs 751-756) that would alter when school district elections are held. The bi-partisan package, introduced by Sens. Cameron Brown, Mickey Switalski and Roger Kahn, would require school district elections to move from May to either the November odd-year election, the August even-year election or the November even-year election. In addition, the "floater" election date for millage elections that was previously established under election consolidation would be eliminated under the package. The new requirements would apply after March 31, 2011, if enacted into law. The package now moves to the full Senate for consideration.

### **POLL SHOWS INTERESTING NUMBERS ON CONSTITUTIONAL CONVENTION**

On the 2010 November ballot, Michigan voters will be deciding whether to hold a constitutional convention. Under the Michigan Constitution, the question is asked of voters every 16 years. A recent poll conducted by EPIC/MRA showed that 49% currently would support a constitutional convention with 35% saying they oppose the idea. However, when respondents were told a convention would cost approximately \$45 million, the results changed dramatically as opposition rose to 71% with support at 23%. The MTA Board is on record of opposing a convention.

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