

In This Issue:

- 2 Mandates package reviewed
Public employee health care
Resolution reminder
- 3 MTA-PAC input due soon
MTA Weekly Legislative Report
- 4 Fireworks legislation slowed in Senate
Sales tax collection helping revenue
sharing



capitol currents

Official Publication of the Michigan Townships Association

june 2010



A Legislative Update for Township Officials

House committee reviewing local government legal notices in newspapers



A package of bills designed to provide options to local governments when posting legal notices was the topic of lengthy discussion and testimony before the House Judiciary Committee on May 12. The package, strongly supported by MTA, contains HBs 5845, 5847-48, 5853, 5916 and

5917, which are sponsored by the following representatives, respectfully: Joe Haveman (R-Holland), Sharon Tyler (R-Niles), Doug Geiss (D-Taylor), Richard Hammel (D-Flushing) and Pete Lund (R-Shelby Chtr. Twp.), sponsor of the last two. The package allows townships, counties, cities and villages to use alternatives to expensive newspaper ads when posting legal notices. Substitute versions of the bills adopted in committee would still require local governments to post legal notices in the clerk's office and to use one other posting method, including the local government's website, a commercial radio station, television station, public education and government (PEG) channel or a newspaper. Clerks would be required to retain a copy of a notarized legal notice in perpetuity. Clerks would also be required to send copies of the legal notices to residents who request them, through mail or electronic mail, by choice of the resident. MTA testified before the committee along with six township officials from across the state. The package of bills would allow local governments to continue using newspapers for publishing legal notices but expands their choices of less expensive options in getting information to the public. MTA testified that "once upon a time, everyone received their information through newspapers. But today, newspapers are publishing less days a week and have continuing double-digit drops in their circulation numbers. Today, most people under the age of 35 don't read newspapers. MTA is interested in allowing townships the flexibility to place their legal notices in a variety of information mediums to reach their residents." MTA is working in conjunction with Michigan Municipal League and Michigan Association of Counties to move the package. The

Michigan Association of Broadcasters is also supporting the package. The Michigan Press Association and the Detroit Legal News had their attorneys testify against the cost-savings package. Committee Chairman Mark Meadows is planning to take further testimony before any voting.

House passes annexation reform

The House of Representatives passed two bills on May 20 that change the way annexations and detachments take place in charter townships that have populations greater than 20,000. HBs 6071 and 6072, introduced by Reps. Marc Corriveau (D-Northville) and Mark Meadows (D-East Lansing), respectively, were introduced on April 27, 2010, and received quick approval by the House Intergovernmental and Regional Affairs Committee. The bills were approved in the committee on May 11. Both sponsors live in communities that have dealt with attempted annexations in recent years initiated by developers in an attempt to gain a rezoning advantage. Both had firsthand knowledge of the ill will generated by annexations between neighboring communities—Rep. Corriveau involving a high-profile annexation attempt related to the former State Psychiatric Hospital property in Northville Charter Township (Wayne Co.), and Rep. Meadows involving several issues in Meridian Charter Township (Ingham Co.). The bills passed the House handily with 101-6 vote total.

MTA greatly appreciates the efforts of Reps. Corriveau and Meadows in their efforts to help move these overdue annexation reforms. Legislation similar to HBs 6071-72 was approved two years ago, but found rough sledding in the Republican-controlled Senate. Attention must now be turned to the Senate to convince them that cooperation rarely takes place in the aftermath of boundary wars. MTA also continues to work for broader annexation reforms that would include amending the process for general law townships as well. General law township annexation attempts differ greatly from annexation procedures for charter townships as cases are heard before the Michigan State Boundary Commission and there is no vote by any residents in the township. ■

House committee reviews mandates package

In a year that marks the 30th anniversary of the voter-approved Headlee Amendment being incorporated into Michigan's constitution, the House Judiciary Committee took testimony about strengthening Michigan's unfunded mandate laws in front of a packed committee room on May 5. The package of bills (HBs 5797-5801), sponsored by Reps. Eileen Kowall (R-White Lake Chtr. Twp.), Pete Lund (R-Shelby Chtr. Twp.), Gary McDowell (D-Rudyard Twp.), Deb Kennedy (D-Brownstown Chtr. Twp.) and Jeff Mayes (D-Bangor Chtr. Twp.), respectively, were introduced in February. The bills would create a Local Government Mandate Panel that would determine if new legislation would result in unfunded mandates for local governments. Today, when legislation is introduced, the House or Senate fiscal agencies review the legislation to determine or estimate the costs. Unfortunately, there are many bills introduced that could impact local governments, however, very little time is given to study the true fiscal impacts. It is proposed that the new panel would be uncompensated (other than travel expenses) and would meet quarterly, unless needed more often. The new panel would be advisory only and would be made up of state and local officials (including a representative of township government). Rep. Mark Meadows (D-East Lansing), who serves as the House Judiciary Committee chair, said there would be additional workgroup meetings on the legislation prior to committee action.

The package of bills is essentially a product of work done by members of the State Mandates Commission that was created two years ago by the Legislature. The commission submitted a report to the Legislature of their findings in January 2010. MTA and other local government associations submitted significant materials and a list of unfunded mandates to be considered by the commission. While a few township items were included as unfunded mandates in the final report, it was apparent that counties and schools have the most unfunded mandates in Michigan. ■

House turns attention back to public employee health care

Once the Legislature finished its work on modifications to the teacher retirement system, the House of Representatives turned its attention back to health care for public employees.

In particular, the House Public Employee Health Care Reform Committee once again took testimony on HB 5345, which was introduced by Speaker Andy Dillon (D-Redford Chtr. Twp.). Speaker Dillon, who is running for governor, personally testified on the legislation and the modifications he was supporting to the original proposal.

The modified legislation continues to maintain language that looks for health care savings through larger pools and wellness programs. In the original legislation, all public employees were required to receive their insurance through a new plan operated at the state level. The new proposal eliminates the mandatory participation, but it does create consequences if a local unit does not participate.

The first operation that must occur under the legislation is for the state to prove that they can offer insurance at a savings compared to what is currently offered. A panel is to be appointed to create a plan design. The cost of the plan design will be determined and this cost will be compared to the total cost of providing insurance to all covered public employees in the state. A separate piece of legislation would require all public employers to report details of their health care spending and who is covered to the state. If the state proposal does not generate at least 2 percent savings, the plan would not be implemented. It is estimated that a 2 percent savings would mean \$100 million per year to local employers.

The state system would offer multiple plan types and create pricing based on regional cost differences. It is unknown at this time how multiple plan types with regional cost differences can be compared to multiple plan types with regional cost differences and conclude whether 2 percent of the cost is saved hypothetically.

The real test of the program comes at time of implementation. The statute would not require a community to receive its insurance through the state, but if it does not receive its insurance through one of the plans offered by the state, the law would require the employee to pay any cost difference between the plan selected by the governmental unit and the cost of the state plan. Again, the question of which state plan is to be used as a cost comparison is uncertain at this point in time. ■



capitol currents

Official Publication of the Michigan Townships Association

Editor: David Bertram **Associate Editors:** Bill Anderson & Tom Frazier

Michigan Townships Association
512 Westshire Drive, P.O. Box 80078
Lansing, MI 48917
(517) 321-6467 Fax (517) 321-8908
legislation@michigantownships.org
www.michigantownships.org

Resolution Reminder

Under the rules adopted by the MTA's Board of Directors, advance resolutions involving legislative policy must be submitted to MTA 150 days prior to the Annual Meeting. The deadline for submissions is Wednesday, Sept. 1, 2010. Resolutions adopted at the Annual Meeting in January 2011 will be the basis for MTA's 2011 Policy Platform. ■

MTA-PAC input due by June 14, 2010

After a much-anticipated (at least by some) arrival of the filing and withdrawal deadlines for legislative candidates, there are 162 candidates running for 38 state Senate seats and 500 candidates running for 110 House seats. With all the state House and Senate seats up for election, and the governor, lieutenant governor, secretary of state and attorney general all term-limited out of office, 2010 will be a very busy election year.

In the state Senate, at least 29 of the 38 members will be new come January 2011 as that many current state senators are term-limited and can't run for re-election. While the changeover won't be quite as dramatic in the House, it will be substantial as at least 52 members will be new primarily due to a combination of term limits and current representatives giving up their seats in the House to make a run for the Senate.

All this ensures that the MTA-PAC Committee will be very busy working to make sound endorsement decisions to help those candidates who will be most supportive of township government and issues. The PAC endorsement process started immediately following the withdrawal deadline, which for the 2010 election was May 14.

Following the withdrawal deadline, all state legislative candidates were mailed a MTA-PAC questionnaire asking their opinion on 20 key issues important to MTA and townships alike. This is an effort to help the PAC Committee determine the level of support, or the lack thereof, that each of the candidates has for township issues. Those questionnaires are due June 14.

A questionnaire was also sent to every township official asking for input on all the candidates running for the state Senate and House in your respective districts. The questionnaire asks for specific input on each candidate—such as how well you know each candidate and whether you feel that person would be good for township government if elected to the Legislature, as well as which candidate you would support for your House and Senate seat. The deadline for returning the questionnaire to MTA is also Monday, June 14. Township officials' input is critical to the deliberations of the MTA-PAC Committee.

The MTA-PAC Committee meets following the June 14 deadline to make endorsement decisions for the August primary election. The committee will consider all information that it has obtained with candidate and township official questionnaires being of critical importance. The committee will also consider additional factors, including the make-up of a particular district (whether it is a Republican, Democrat or a swing district); whether there is an incumbent running and that incumbent's view and support for township government; how hard a candidate is working; fundraising efforts; and other local and organization support a candidate has received.

By endorsing in primaries, it makes MTA more relevant earlier in the

election process. However, the fact that MTA-PAC endorses in the primary election makes our process a little more risky in that it is easier to make wrong decisions—especially if the committee does not have the information it needs to make the right decisions. That's why your input is so vital.

While most organizations and associations play it safe by waiting to the November general election to make decisions, the MTA-PAC has a tradition of making the tough decisions when it matters most. In so doing, candidates seek the MTA endorsement to give their candidacy an added boost.

That's why it is so critical for township officials to take the time to answer and send back the questionnaire, thereby providing the PAC Committee with much-needed information to make sound decisions.

Once the PAC Committee makes endorsement and any financial contribution decisions for the August primary election, letters are sent to those candidates who answered the candidate questionnaire in each legislative district letting them know whether they have received the MTA-PAC endorsement. In addition, press releases are prepared for endorsed candidates, and endorsed candidates are publicized to township officials and others.

Following the Aug. 3 primary election, the MTA-PAC Committee will meet again in September to make endorsements for the November general election. Using the information collected in June and any additional information that has been obtained during the summer months, the committee will make endorsement decisions for the Nov. 2 election.

However, all this effort by the MTA-PAC Committee starts with you, the township official. Without your input, members of the committee do not have the best information to make good decisions. That is why it is so critical to receive your input. The MTA-PAC Committee hopes that each of you will answer the call to participate and return your questionnaire by Monday, June 14.

By assisting the MTA-PAC Committee in this way, you can help ensure that those elected to the state Senate and House will be more supportive of township government and issues of importance to townships. ■

MTA Weekly Legislative Report soon to be electronic only

The *MTA Weekly Legislative Report* that comes to you weekly from the MTA Legislative Department will become an electronic-only document, beginning on July 2, to save costs. Most subscribers currently receive the report via e-mail; however, there is still a small number who receive the document via fax. MTA is asking those fax subscribers to provide us with an e-mail address to replace their current fax number. There are a variety of ways to receive a free e-mail account. Please contact Erma at erma@michigantownships.org or at (517) 321-6467 for more about the change. ■



Michigan Townships Association
512 Westshire Drive
Lansing, MI 48917

PRSR STD
U.S. POSTAGE
PAID
PERMIT NO. 765
LANSING, MI

Address Service Requested



printed on recycled paper

Senate chairman slows down fireworks package

Following action by the House in mid-May to pass legislation to allow for the sale and regulation of “consumer fireworks” in the state, the chairman of the Senate Economic Development and Regulatory Reform Committee indicated his intention to spend more time working on the details of the bill package before moving forward. Unless circumstances change, Chairman Alan Sanborn (R-Richmond Twp.) doesn’t intend to bring up the package for committee consideration prior to the July 4 holiday.

The bill package (HBs 5999 and 6000), as passed by the House, would legalize consumer fireworks, which are fireworks devices that are designed to produce visible effects by combustion and that are required to comply with the construction, chemical composition and labeling regulations promulgated by the United State Consumer Product Safety Commission. The legislation would also establish permit fees to maintain a revenue stream to fund firefighter training. The bills were introduced by Reps. Harold Haugh (D-Roseville) and Andrew Kandrevas (D-Southgate).

One key aspect of the House-passed version of the bills is that local government authority to permit display fireworks, defined as large fireworks devices that are explosive materials intended for use in fireworks displays and designed to produce visible or audible effects by combustion, deflagration, or detonation, was restored. Originally, the bills pre-empted local authority to issue display fireworks permits. However, one concern remains in this discussion as the current version of the legislation requires permit fees to be collected by the local unit of government and then passed on to the state fireworks safety fund. MTA believes that any permit fees for display fireworks should remain

at the local level since the locals are processing the applications. Many other issues are still of concern to those that currently sell fireworks in the state as the bills would require permanent structures of no less than 1,000 square feet for the sale of consumer fireworks. This stipulation favors certain types of stores and outlaws tent sales under most circumstances. Safety issues have also been raised with the legalization of consumer fireworks.

The House has moved forward on this issue as a way to bring in an estimated \$2.6 million in annual revenue to offset General Fund dollars currently being utilized to fund firefighter training and state inspectors. Should the Senate hold fast to not considering the bill package as part of the FY 2011 budget, then it will need to make sure that funding for firefighter training and inspections are addressed through other means. ■

Sales tax collections helping constitutional revenue sharing

Last October, the state was estimating that sales tax collections were going to decline by 6 percent from Oct. 1, 2009, though Sept. 30, 2010, compared to the same time period the year before. This of course meant that constitution revenue sharing distributions would fall by the same amount. Thankfully, Michigan’s economy is starting to show signs of stability. As a result, the state is only expecting a 3.6 percent decline this year. This will mean a few more dollars flowing to townships this year than originally estimated for constitutional revenue sharing. For those townships that are still receiving statutory revenue sharing, the increased sales tax collections do not fully translate into a proportionate increase in overall revenue sharing distributions. ■