

In This Issue:

- 2 Governor presents state budget for next year
- 3 The world of assessing is changing Senate bills: Not much reform
- 4 House passes permanent AV list legislation
Governor opens state health care for locals



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A Legislative Update for Township Officials

MTA honors three legislators



MTA honors three legislators at the MTA Annual Education Conference. Left to right: Rep. Mike (D-Hancock), Sen. Patricia Birkholz (R-Saugatuck Twp.) and Rep. Darwin Booher (R-Osceola Twp.).

MTA honored three Legislators at the 2010 Annual Education Conference Dinner, held on Jan. 28 at DeVos Place in Grand Rapids. State Reps. Mike Lahti (D-Hancock) and Darwin Booher (R-Osceola Twp.) were honored as MTA's 2009 Legislators of the Year, while State Sen. Patty Birkholz (R-Saugatuck Twp.) was given the MTA Township Champion honor for her past service as a township official, county official and her dedication to townships during her 14 years in the Michigan Legislature. She will be term-limited at the end of the year.

Rep. Mike Lahti represents the 110th House District, the furthest district from the State Capitol. His district is composed of 6 full counties in the western end of the Upper Peninsula and a small part of Marquette County. The full counties in the 110th include: Baraga, Gogebic, Houghton, Iron, Keweenaw and Ontonagon. He and his wife, Sharon, are residents of Hancock.

Rep. Lahti was first elected to the House of Representatives in 2006 and he is now serving in his second term. Prior to coming to the House, he operated an insurance agency and real-estate business, and also served on the Hancock School Board for seven years. Rep. Lahti was also elected

to the Houghton County Board of Commissioners, where he served as chairman for six years.

In the Legislature, Rep. Lahti is on the House Appropriations Committee and is the chair of the Natural Resources Subcommittee on Appropriations. He also serves as the vice chair of General Government and is the Democratic chair of Joint Capital Outlay.

Undoubtedly, much of MTA's working relationship with Rep. Lahti has come on appropriations items. He is one of a handful of representatives who understands that revenue sharing is not the state dolling out money to locals but rather a method under which the state returns taxes paid by residents. Specifically, Rep. Lahti has assisted MTA's efforts to hold the state honest on Payments In Lieu of Taxes (PILT). He was helpful by including boilerplate language in the general government bill last year but unfortunately, the state ignored it. Further, Rep. Lahti has worked closely with MTA on changes related to the Commercial Forest Act, including early withdrawal (PA 299 of 2008) and related principal residence exemption issues. He is also helping to keep our inland lakes free from new weeds by sponsoring PA 91 of 2009 that fines those who launch boats with aquatic weeds attached.

Rep. Darwin Booher, who represents the 102nd District, is also our 2009 MTA Legislator of the Year. Rep. Booher is serving in his third and final term in the Michigan House. He represents the residents of Osceola, Mecosta and Wexford counties. Rep. Booher and his wife, Jan, have lived in Osceola Township for more than 40 years. He has worked as a sales manager at Citizens Bank and as vice president of Bank One for a combined 40 years, and has been farming his entire life. For 28 years, he owned and operated a small business, and served 28 years as the Osceola Township supervisor and assessor.

In the Michigan House, Rep. Booher serves on the House Appropriations Committee. He is minority vice chair of the Appropriations Subcommittee for Community Colleges; minority vice chair of the Subcommittee for Natural Resources; and minority vice chair of the Subcommittee for Special Governmental Operations. He also serves as vice chair of the House Banking and Financial Services Committee.

Rep. Booher's service as a township official has made him effective as a legislator in Lansing. He understands the challenges at the local level and how they fit in the context of legislation at the state level. Rep. Booher has tackled several of those issues related to assessing and

Legislators honored continued on page 2

taxation. He has also been a significant force for MTA in efforts related to PILT. In fact, his first bill introduction, which became PA 646 of 2006, created a real property tax classification for state-owned real property. He has also sponsored legislation that would make any new future land purchases by the state to be subject to local government approval. He was also an instrumental part of PILT boilerplate language last year that was approved but has not been followed by the state.

Sen. Patty Birkholz is a legislator who was already honored by MTA as our Legislator of the Year in 2001. And if MTA had a practice of honoring legislators multiple times as our Legislator of the Year, she undoubtedly would have been chosen numerous times. MTA honored Sen. Patty Birkholz in a special way by recognizing her outstanding work on behalf of townships with the "MTA Township Champion Award."

Sen. Birkholz represents the 24th District (Allegan, Barry and Eaton Counties). She chairs the Natural Resources and Environmental Affairs Committee; serves as vice chair of the Local, Urban and State Affairs Committee; is a member of the Agriculture & Bio-economy Committee and the Energy Policy & Public Utilities Committee. Birkholz is also the Michigan representative to the Great Lakes Commission, and the founder and chair of the Great Lakes Legislative Caucus.

We could probably honor her for many items she has accomplished in her career to date, including her service at the local level as the Allegan County treasurer or the Saugatuck Township treasurer, trustee and park and recreation commission member. We could probably honor her for 14 years of serving in the House and Senate (six years in the House and soon to be eight years in the Senate); OR her long list of legislative accomplishments that include her sponsorship of 286 pieces of legislation of which 99 have become public acts. Sen. Birkholz has been viewed as the real force behind annexation reform efforts in the Capitol over the past 10 years. She rewrote the Property Tax Act in 1999 related to tax foreclosures. She was the point person in the Senate when the Planning and Zoning Acts were recently consolidated. We could honor her for all her major accomplishments, but we especially appreciate her efforts related to township government. ■

Governor presents state budget for next fiscal year

Gov. Granholm delivered her budget proposal for the 2011 state fiscal year on Feb. 11, to a joint meeting of the House and Senate Appropriations Committee. It was a bit unusual for the governor to personally present her own budget. Typically, the budget presentation duties fall to the state budget director (Bob Emerson). The budget director was alongside the governor and helped with many of the details. It was the governor's eighth and final budget proposal, due to term limits.

On a positive note, the budget is calling for a freeze on state revenue sharing payments to local governments. The proposed budget would maintain overall revenue sharing payments next year at the current year level for all townships, cities and villages, even if sales tax collections decline due to the economy. She is also calling for an additional \$115 million in revenue sharing to fully fund the three counties eligible in fiscal year 2011. The budget also calls for a significant change in the sales tax: a plan to lower the sales and use tax from 6 percent to 5.5 percent but expand the base of goods and services to which the tax applies. MTA was pleased to hear State Treasurer Robert Kleine, who was also available at the appropriations meeting, comment during the presentation that the sales tax proposal would not have a negative effect on revenue sharing. Kleine was responding to a question raised by Rep. Darwin Booher (R-Osceola Twp.) about whether the plan would cause a 12.5 percent hit to constitutional revenue sharing. MTA is working to find language of the proposal to verify that it doesn't undermine revenue currently dedicated to revenue sharing in the constitution.

Further, the budget proposal includes the elimination of the Michigan Business Tax (MBT) surcharge by 2012, \$140 million in corrections reforms that will reduce prisoner population numbers and allow for the closure of up to five additional prisons and maintaining current Michigan State Police trooper strength. The governor's budget plan is built on a variety of revenue enhancers. Local governments have significant state funding at stake in the budget and are encouraged to contact legislators in support of revenue increases.

The governor is also asking for the Legislature to complete the budget each year by July 1 or be subject to cuts in their wages, and endorsed a two-year budget cycle for the state. She also warned that she would veto any cuts to K-12 or higher education. ■



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MTA Capitol Conference

April 21, 2010

Radisson Hotel—Downtown Lansing

Tentative Topics Include:

Government Reforms

The Value of Townships in the 21st Century

Assessing—Things Are Changing

2010 Election

Government Employee Health Care Reform

Register online: www.michigantownships.org/capitolconf.asp

The world of assessing is changing

Late last year, the governor issued Executive Order 2009-51 to disband the State Assessors Board and reassigned all of its duties to the State Tax Commission. The State Assessors Board was responsible for educating and certifying all assessors in the state, as well as hearing any complaints regarding their job performance.

The new State Tax Commission, with its expanded authority, met for the first time this month. The commission has started on a path to completely revamp the assessing practices in the state. First on the agenda was to change the current four levels of certified assessors. The greatest changes will come in the area of level 1 and 2 assessors. These two levels will be combined into a single level called Michigan Certified Assessing Officer. In the future, a person must successfully complete a 24-month course in order to become certified assessing officer. The course is expected to include both computer study as well as class meetings with hands-on assessing assignments. Current Level 1 and 2 training programs have been suspended and the commission has authorized the funding to develop the new course material for certified assessing officers. Level 3 assessors will now be known as Advanced Assessing Officers and level 4 assessors will be known as Master Assessing Officers.

The issue that seems to be most on the minds of the commission is the preparation of the assessing roll. Much of the assessor training in the past has been focused on how to assess a piece of property; however, very little time was spent on how to take all of the individual assessments and create the final valuations for the assessing roll.

While plans are not complete, it is very likely that current level 1 assessors will be required to take some form of additional training or testing in order to qualify for the certified assigning officer designation; it will not require two years of courses.

Education requirements for all assessors will change as well. Beginning in 2011, assessors will be required to take 30 hours of continuing education over a period of three years. The three-year time frame will follow the new renewal standards that will shift from every year to every three years. Personal Property Examiner Certificates will become an endorsement on the regular certificate and will require an additional fee and continuing education. Specific training will be required to become an equalization director. No changes have been made to the current level 3 and 4 assessing requirements; however, a committee has already begun the process of reviewing the entire level 4 process.

The tax commission also addressed the issue of site visits. The commission is strongly encouraging cities and townships to do site visits to 20 percent of their properties each year. In the past, local units have been encouraged to do revaluations at least once every five years. Because of the expense of revaluations, it was noted that bud-

getting for this expense every year instead of once every five years would make administration less problematic. Making site visits is an important component of passing the 14-point review for assessing.

If all of these changes bring lots of questions to mind, MTA has a way to find the answers. MTA will be bringing in representatives from the Department of Treasury and the State Tax Commission to discuss all of the changes that are being made in assessing requirements and where else the commission may go in the future. Please join us at the MTA Capitol Conference held in Lansing on April 21. Further details are provided within this newsletter. ■

Senate bills: Not much reform

The bills were hyped as a way for local governments to save millions of dollars in labor costs by reforming the way local governments must handle labor contracts. In the end, no labor organization opposed the set of bills and no local government organization supported “the reforms” that passed the Senate this month.

The main issue within the package of bills was to amend PA 312, the law that governs the requirement that binding arbitration be offered to police, fire and EMS employees. The changes were contained in Senate Bill 1072, which was offered by Sen. Randy Richardville (R-Frenchtown Chtr. Twp.). At issue was the problem that binding arbitration often puts local governments in the position of cutting money out of one part of their budget in order to fund binding arbitration decisions. Local governments focused the discussion on ability-to-pay issues as well as the use of internal comparables. Instead, the Senate passed a bill that would tighten the time period for receiving arbitration determinations, unless both parties agree to an extension.

A substitute version of the legislation that passed the Senate less than 24 hours after being made public may in fact end up hurting local governments that create cooperative public safety services. Currently, PA 312 only applies to police, fire and EMS services run by cities, villages, townships or counties. The Senate amended the legislation to expand binding arbitration to any authority or other entity created by a city, village, township or county to provide these services.

Two other bills received consideration this month. SB 1085 amends the Intergovernmental Transfer of Functions and Responsibilities Act and was offered by Sen. Mark Jansen (R-Gaines Chtr. Twp.), and SB 1086 amended the Urban Cooperation Act and was offered by Sen. Bill Hardiman (R-Kentwood). Both laws specify that no employee can be financially disadvantaged when merging or transferring government functions. While local government organizations urged the Senate to eliminate this language from the law, the Senate instead specified that the no financial disadvantage language would remain valid until such time that a new labor contract is established. ■



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House passes permanent absentee voter list legislation

Following action by the House Ethics and Elections Committee, the full House voted 83-22 in support of House Bill 5456 to require that a permanent absentee voter (AV) list be maintained by city and township clerks.

The House action resulted from court decisions involving both the former Detroit city clerk and the current Macomb County clerk sending absentee voter (AV) ballot applications to voters 60 years of age or older in 2005 and 2006 respectively. Since those incidents, the Court of Appeals and a Bureau of Elections directive in how to administer the court's ruling stipulate that clerks do not have the statutory authority to mail AV applications to qualified electors unless the voter specifically requests the application verbally or in writing. The directive further said that county clerks do not have the authority to distribute AV ballot applications unless the county clerk is acting in the role of school district election coordinator.

The original version of HB 5456, introduced by Rep. Fred Miller (D-Clinton Chtr. Twp.), would have required county, city, township and village clerks to establish the permanent lists and to add qualified electors who request to be included on the list in person, or by telephone, fax or mail. Acceptance by electronic mail was added to the version that passed the full House. MTA and others testified in support of the legislation in committee if changes were included to allow clerks to purge the list of those who fail to vote AV after four years, thereby reducing the costs of mailing AV ballot applications to those not voting by AV ballot; to eliminate the inclusion of county clerks in the process; and to grandfather in existing lists that have been maintained by local clerks.

Virtually all of the requested changes were included in the final version of the bill that passed the House. However, the final version did retain the ability of county clerks to mail a notice to each registered elector indicating that the elector may request to be placed on the permanent AV list

maintained by either a city or township clerk. The ability of a village clerk to maintain such a list was removed since it would be duplicative of the efforts of the township clerk.

The legislation does allow city or township clerks who maintained a permanent AV list prior to the effective date of the bill to continue to maintain that list as its permanent AV list. This essentially would grandfather in existing permanent AV lists so that those clerks would not have to start the process all over. In addition, every January, clerks would be able to purge those from the permanent AV list who had not requested an AV ballot in any election held in the previous four years. Finally, under the legislation, if a voter on a permanent AV list changes his or her residence, the elector's request to be on a permanent AV list would automatically transfer to their new city or township of residence. The bill now moves over to the Senate. ■

Governor opens state health care for locals

"I represent a group of governments that will flock to a well-run plan that offers competitive prices. We have no emotional ties that bind us to a particular health plan." — Testimony from Michigan Townships Association Legislative Liaison Bill Anderson before the House Committee on Public Employee Health Care Reform last fall.

On February 17, 2010, Gov. Jennifer Granholm issued Executive Directive 2010-1, which directs the state to clear the way for local units of government to participate in state of Michigan health care benefit plans offered to state employees. In discussing the directive the governor stated, "By offering other public employers and their employees the option of participating in this new state health care benefit plan, we are in essence allowing them to reduce their costs, too, which will benefit all Michigan taxpayers." The Executive Directive sets a timeline of June 1, 2010, to have all barriers to participation removed and have the state ready to enroll local government employees. ■