



## WEEKLY LEGISLATIVE REPORT

March 6, 2009

MTA Phone: 517-321-6467

MTA FAX: 517-321-8908

Please route to all interested parties in your township.

### **LEGISLATION MOVES ON POST-EMPLOYMENT BENEFITS**

The House passed legislation this week dealing with the issue of funding post-employment benefits for local units of government. Recently, the Governmental Accounting Standards Board (GASB) concluded that local units of government must calculate any future liabilities associated with the provision of health care and other non-pension benefits to retired governmental employees. HBs 4074, 4075 and 4077, which passed the House this week, will allow local governments to borrow funds to cover up to 75% of the calculated unfunded liability of these benefits. The money would be set aside in a trust fund and invested much like a pension fund. The assumption is that managed investment would generate more funds than the cost of the bonds, thus reducing costs to the local government. One very significant concern within the legislation is that by establishing this trust fund, the legislation states that the retirement benefits become a contractual obligation. This obligation could have a significant negative impact in the future management of retiree health costs. MTA will focus our efforts in the Senate to avoid legislation that might negate local government's ability to manage its benefit structure in reaction to future cost increases.

### **HOUSE APPROVES CABLE BILL; LOCAL GOVERNMENTS STILL SEEKING FAIRNESS**

The House approved HB 4247, the cable dispute resolution bill, on Wednesday but failed to resolve concerns of local governments. There was an amendment added that made minor wording changes, but a serious fairness issue remains for local governments when there are differences to resolve between cable providers and local governments (as franchising entities). The cable industry is making claims that the bill creates a dispute process that equals one currently contained in the Michigan Telecommunications Act. Unfortunately, that is not accurate and local governments are supportive of putting a reference in the bill to the appropriate sections of the MI Telecomm Act to assure that the processes are the same. The debate now shifts to the Senate where either HB 4247 or SB 190 will be addressed. MTA is asking township officials to communicate with their senator that changes are needed to make the dispute resolution process fair. Please use the following link to contact your senator: [www.senate.michigan.gov](http://www.senate.michigan.gov).

### **HOUSE COMMITTEE REPORTS FINANCIAL DISCLOSURE BILL**

This week, the House Ethics and Elections Committee reported to the House floor legislation to require state and certain local candidates and officials to provide financial disclosure similar to what is required for members of Congress. HB 4381, introduced by Rep. Kate Ebli (D-Frenchtown Chtr. Twp.), would require candidates and officeholders for virtually all state offices and those local offices where the compensation is greater than two times the statewide median gross income to report financial information to the Bureau of Elections by May 1 of each year. In testimony this week, MTA raised concerns about some elements of the bill, especially as they apply to candidates, minor dependents, and the variability of the statewide median gross income figure. As defined for 2009, the financial disclosure requirement would apply to local candidates and officials making over \$87,040.

### **BOARDS OF REVIEW TAKE CENTER STAGE**

Not since 1993 will activity at local boards of review (BOR) draw as much public attention as this year. The citizens who have agreed to hear the concerns of the property owners of this state will have a tough job this year. The BOR is citizens listening to citizens to determine whether they are bearing their fair share of the burden to operate our democratic government. Their objective is to see that the assessment is uniformly applied consistent with the laws of the state. Many who appeal their taxes will vent their frustration of the tax law to a group of people who had nothing to do with how it was created, but are there to see that the law is properly applied, which protects all taxpayers. This is a good time for all township officials to thank BOR members for what is likely to be a very rough month.

\*\*\*END\*\*\*