



WEEKLY LEGISLATIVE REPORT

March 13, 2009

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Please route to all interested parties in your township.

SENATE BEGINS PROCESS ON PROPERTY TAX CONSTITUTIONAL AMENDMENT

The Senate Finance Committee reported a resolution to amend the state constitution regarding how Proposal A functions when determining taxable value. SJR H calls for a constitutional amendment that would prohibit taxable values from increasing on a piece of property when state equalized value is declining. In order for this concept to be placed before the voters of the state, it must pass both chambers of the Legislature with a two-thirds majority vote. The proposal would be effective for next year's assessments. The constitutional amendment highlights one of the significant issues associated with Proposal A, that we traded equity for predictability in our property tax system. Proposal A capped how quickly property taxes could increase in a year, which created an inequitable situation between those who pay taxes on the full value of their property and those that pay taxes on only part of the value of their property. Full Senate action on SJR H could occur next week.

SENATE FAILS TO CREATE A BALANCED CABLE DISPUTE RESOLUTION PROCESS

The Michigan Senate approved SB 190, a cable dispute resolution bill sponsored by Sen. Buzz Thomas (D-Detroit). Unfortunately, an amendment that was going to be offered by Sen. Jerry Van Woerkom (R-Muskegon) to modify the bill to create fairness between cable providers and local governments (as franchising entities) during disputes never received a vote. The Van Woerkom amendment would have required attorney's fees to be paid by the party bringing action if the Michigan Public Service Commission (MPSC) determined that the matter was frivolous. Amazingly, representatives for the MPSC joined with the cable/telecommunications industry to oppose the revisions that would have given the agency the authority to settle attorney's costs issues. MTA appreciates the efforts of Sen. Van Woerkom and the other nine senators who voted against SB 190. Now, both the House and Senate have approved their own flawed cable dispute resolution bills (HB 4247 & SB 190). MTA thanks township officials for contacting legislators. MTA will be alerting township officials as we learn which house will be acting on the other's bill.

MOST PILT PAYMENTS TO BE SENT TO LOCAL GOVERNMENTS BY APRIL 1

Township officials who have been waiting for the state to make its payments-in-lieu-of-taxes (PILT) on state purchased lands for 2008, MAY get their check around April 1. Information that a majority of those payments will be made on or near April 1 was shared with MTA this week during a meeting with officials from the Michigan Department of Treasury to address the status of the late payments. Unfortunately, Treasury is not following language that was adopted in the current state budget that required the PILT payments to be made by Feb. 14 to communities that had provided correct statements to the state by Jan. 15.

SALES TAX REVENUES CONTINUE TO PLUMMET

The state released its report on revenue for the month of February and once again sales tax revenues came in significantly below projections. Sales tax collections since October are nearly 11% below the amount collected during the same time last year. This money is critical to local governments as it is the source of all revenue sharing. While the current budget guarantees locals the same amount of revenue sharing as last year, these sales tax figures add uncertainty to that promise.

DOES YOUR TOWNSHIP SELL WATER TO RESIDENTS OF OTHER COMMUNITIES?

MTA would like to hear from townships that sell water directly to residents of other local governments on a retail basis. Specifically, we would like to know if your township bases water fees charged to external customers (properties outside the township) to the cost of providing the service, or if your township charges external customers more than the cost of service, up to twice the cost charged to customers located within your township. Send your information to larry@michigantownships.org.

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