



WEEKLY LEGISLATIVE REPORT

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Please route to all interested parties in your township.

SENATE SLASHES STATUTORY REVENUE SHARING

The Senate Republicans continued their efforts to cut \$1.2 billion from the FY 2010 state budget as they passed a series of budget bills, typically with votes being cast along straight party lines. The Senate approved SB 245, the general government budget bill, on Tuesday. This legislation contains the appropriation for revenue sharing. The Senate proposal slashes 20% of the money that is distributed to cities, villages and townships through statutory revenue sharing. The proposed amount is reduced from the current year level of \$388 million to \$310 million. This reduction impacts just over 200 townships that are still receiving statutory revenue sharing. Every township's main source of revenue sharing comes from the constitutional revenue sharing, which is not impacted by the state appropriation process due to its direct link to sales tax revenues. For those townships that still receive statutory revenue sharing, the proposed cut could be as much as a 12% reduction in the total combined statutory and constitutional distributions next year. This proposal is now being considered by the House of Representatives. House leadership has already given indications that their proposed budget reductions for revenue sharing will not be nearly as drastic. A further detailed explanation of revenue sharing issues will be sent to townships by MTA in the next few days.

SENATE ALSO SLASHES PILT, SWAMP AND COMMERCIAL FOREST TAX PAYMENTS

In addition to proposed reductions to revenue sharing, the Senate also included provisions in SB 245 to cut PILT, Swamp and Commercial Forest Tax payments by 20%. The state making the required payments on PILT lands have been a problem for years. These Payments In Lieu of Taxes are essentially the property taxes on state owned lands. The Senate has now added two other payment programs to the list of threatened programs. While the title of the program, Swamp Tax, gives the impression that these payments are for undesirable lands, in reality, the Swamp Tax is a payment for state lands that were acquired due to foreclosure during the Great Depression. The Commercial Forest Tax payment matches taxes paid by owners of large tracts of land used for forestry. The state payment is in exchange for opening these lands to certain limited public use. As is the case with revenue sharing, these are proposals adopted by the Senate, but must still be considered by the House of Representatives.

EFFORTS TO CONSOLIDATE DEQ, DNR AND SCRAP WETLANDS PROGRAM PROCEED

Both the House and Senate this week moved forward budget bills to consolidate the Department of Environmental Quality (DEQ) and the Department of Natural Resources (DNR). The House version (HB 4446) would create the Department of Natural Resources and Environmental Protection, while the Senate version (SB 251) would create the Department of Conservation. The combined departments would potentially save on administrative costs once the reconfiguration is finalized. Under the combined budget bills, severe cuts were made to both departments, particularly the DEQ portion. Of significant note was the elimination of funding in both versions of the budget bills for the wetland protection program currently administered by DEQ. If funding for the program is not restored in the final version of the budget, regulation of wetlands would be transferred to the Army Corps of Engineers, with the status of local wetland ordinances yet to be determined.

BILL WOULD ALLOW LOCAL INSPECTION OF RENTED MOBILE HOMES

The House of Representatives is considering legislation that would allow local governments to inspect mobile homes that are rented in licensed mobile home parks. The programs would operate in a similar manner to the way local governments can currently inspect apartments and other rental units. Local governments could establish procedures that would require park owners to identify units that are being rented and provide that information to the local building department. Rep. Bob Constan (D-Dearborn Heights) is the sponsor of the inspection bill, HB 4801.

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