



MICHIGAN TOWNSHIPS ASSOCIATION

WEEKLY LEGISLATIVE REPORT

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Please route to all interested parties in your township.

ANNEXATION REFORM BILLS DISCHARGED FROM COMMITTEE TO THE SENATE FLOOR

Annexation reform legislation that has been lingering in the state Senate for roughly four months got a boost yesterday when Sen. Bruce Patterson (R-Canton Twp.) used a procedural move to discharge the legislation from the Senate Judiciary Committee. The main bill, HB 5779, sponsored by Rep. Marc Corriveau (D-Northville), would prohibit annexations in charter townships that have populations over 20,000 and provide specific services to their township residents. HB 5859, sponsored by Rep. Mark Meadows (D-East Lansing), prohibits the same townships from detaching territory from a neighboring city. While motions to discharge legislation happen on a periodic basis, this effort was bit unique as it was moved by Patterson, a Republican, who only received support from Democrats. Patterson was able to discharge both bills from committee, along with another bill related to health insurance, despite opposition from the Senate Republican Majority. Patterson, who has been attempting to move annexation reform for months, was also able to gain passage of the bills on general orders by working with Democrats as the Republicans were missing members. The bills remain on third reading on the Senate floor. MTA will keep township officials abreast on any further developments.

BILLS CREATE RISK FOR PUBLIC CONSTRUCTION PROJECTS

The House Regulatory Reform Committee reported a series of bills this week that impact all public construction projects within the state. HBs 6173-6176, offered by Rep. Barbara Farrah (D-Southgate), amend the state laws that govern the relationship between local governments and contractors who are constructing buildings, roads, sewers or other public projects. In particular, the legislation requires a faster payout to contractors for progress payments and increases the monetary penalty for late payment. Progress payments are generally structured to ensure that a job has been properly performed before payment is rendered. Accelerating the process increases the likelihood that a payment is made before a problem is discovered. The legislation also prohibits local governments from inserting contract language to protect against increased costs associated with undiscovered obstacles. The legislation increases the probability of cost overruns on projects.

PROGRESS BEING MADE ON POVERTY EXEMPTION LEGISLATION

MTA, along with other local government organizations, met this week with the Rep. Steve Tobocman, sponsor of HB 6162. The proposed legislation would greatly expand the poverty exemption for homeowners under the property tax system. The idea of expanding eligibility to those with incomes at 200 percent of the poverty level was set aside, and discussion instead focused on the issue of granting exemptions for prior years. At issue were situations where a person's inability to pay is not identified until the property is nearing foreclosure for back taxes. The need to potentially exempt a home due to a person's financial situation may significantly assist in keeping a resident in their home. It was discussed that this would be a much more surgical solution to property tax foreclosure problems than opening up the exemption to nearly a quarter of the homes in the state.

SENATE COMMITTEE REPORTS MUNICIPAL AUTHORITY BILL

Following swift action by the House, the Senate Local, Urban & State Affairs Committee reported HB 6121, introduced by Rep. Tom Pearce (R-Cannon Twp.). The bill would amend current law to allow a municipal authority created under PA 233 of 1955 to publish in the newspaper a summary of its rules and regulations rather than the entire document. Under the bill, the summary would need to be clear and nontechnical in nature, and the authority would have to designate where a complete copy of the rules and regulations could be reviewed or obtained. The bill is on a fast track to alleviate the need for the North Kent Sewer Authority to publish its new rules and regulations about use, connections and rates, thereby saving unnecessary publication costs. However, the new publication requirements would apply to all such municipal authorities once passed.

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