



MICHIGAN TOWNSHIPS ASSOCIATION

## WEEKLY LEGISLATIVE REPORT

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Please route to all interested parties in your township.

### **RARE FRIDAY SESSION NEEDED TO WORK ON STATE BUDGET**

Legislative leaders reached a budget target agreement on Wednesday afternoon. However, getting all the details approved in each of the state budget bills in conference committees is taking some time, causing a rare Friday session in both the House and Senate. The budget compromise deal includes a 2 percent increase in statutory revenue sharing in the general government budget (HB 5816) for FY'09. The governor's original budget included a 4 percent increase in statutory revenue sharing, while the Senate had eliminated the increase due to reduced revenue projections. This 2 percent increase is only on the statutory portion of each local government's revenue sharing payment and therefore does not represent an overall 2 percent increase for each community. However, townships that only receive constitutional revenue sharing will be assured the same level of revenue sharing as this year.

Another important budget item within the general government budget includes a half million dollar line item for large utility property tax appeals. MTA has been working to involve the state when utility companies challenge their property tax assessments. Local assessors use tax schedules approved by the State Tax Commission when assessing utility property; however, utility companies have been challenging these assessments costing local governments significant legal fees and long-term reductions in tax revenue. The state has not been involved in several recent cases. This line item is an attempt to invoke the state in the process.

MTA has also been working on maintaining boilerplate language in the Department of Natural Resources (DNR) budget (SB 1106) regarding the state making timely payment-in-lieu-of-taxes (PILT) payments to local governments. The language, requested by MTA, would require the state to make PILT payments by mid-February of each year if the local government sent a correct property tax statement to the state by Dec. 1. Even though the traditional payment time frame is mid-February, the DNR has been holding payments until June over the last six or seven years.

### **ANNEXATION REFORM HAS SETBACK IN SENATE**

Any progress that appeared to be made last week on getting annexation reform legislation through the state Senate was quickly jammed into reverse this week. HB 5779, sponsored by Rep. Marc Corriveau (D-Northville), which protects charter townships with a population of 20,000 or more from annexations, was referred back to a Senate committee on Tuesday. Sen. Bruce Patterson (R-Canton Twp.) worked with Senate Democrats last week to discharge the bill from committee to attempt a floor vote before the Senate adjourns for summer recess. It appears that an August vote is now inevitable on a 400-acre annexation in Northville Township.

### **HOUSE AND SENATE AGREE ON 12 BILL WATER WITHDRAWAL PACKAGE**

The Senate and House, led by Sen. Patty Birkholz (R-Saugatuck Twp.) and Rep. Rebekah Warren (D-Ann Arbor), were able to reach a compromise to move forward the water withdrawal package. Committee action was finalized on Tuesday morning with final House and Senate passage occurring Tuesday through Thursday. The compromise package largely follows the original Senate approved package with one major exception—incorporating a requirement to obtain a permit for certain types of withdrawals of 1 million gallons per day or more. Parts of the package will be phased in over time with permitting requirements starting right away with penalties for permit violations occurring 90 days later. The “assessment tool” used to determine whether a new or expanded withdrawal will cause an “adverse resource impact” becomes the basis for regulatory decision one year from enactment, although the tool will be available on the Internet starting Oct. 1 for testing and evaluation. The 12-bill package includes SBs 212, 723, 727, 858-860 and HBs 4343, 5065-5067, 5069, and 5073.

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