



WEEKLY LEGISLATIVE REPORT

August 20, 2010

Phone: 517-321-6467

Website: www.michigantownships.org

Please route to all interested parties in your township.

SENATE FISCAL AGENCY REPORT ADDRESSES LOCAL GOVERNMENT CONSOLIDATION

The Senate Fiscal Agency (SFA) issued a report this week that concludes that consolidating local governments doesn't necessarily translate into cost savings. The eight-page report, titled "*Local Government Consolidation: Assessing the Evidence for Cost Savings and Economic Improvement*", was initiated because of recent claims of cost savings related to consolidating local governments made in *Governor's Emergency Financial Advisory Panel 2007 Report* and the *Legislative Commission on Governmental Efficiency 2009 Report*. The SFA report acknowledges that in some cases, cost savings may be realized but it is on a case-by-case basis due to the diverse nature of our local units of government in Michigan and the services they provide. The report can be found at www.senate.michigan.gov/sfa/Publications/Notes/2010Notes/NotesSum10es.pdf.

SIGNIFICANT COURT WIN FOR TOWNSHIPS RELATED TO SEWER SYSTEMS

A ruling made Wednesday by the Michigan Court of Appeals handed a significant win to townships across the state related to failing private septic systems. The 2-1 decision in the *MI Department of Environmental Quality v. Worth Township* case determined that the township is not responsible for replacing failing private septic tank systems with a public sewer system. The case began when the MDEQ sued Worth Twp., Sanilac County, which had no sewer system, to force it to build a public sewer system to alleviate a number of failing private septic systems along a five-mile stretch of Lake Huron. The ruling means the state cannot force a township to build a public system even if private systems are contaminating nearby water. Further details will be included in the September issue of *Capitol Currents*.

PROPOSED CHANGES TO PRINCIPAL RESIDENCE EXEMPTIONS

The Senate Finance Committee reported legislation this week that would create a second deadline for submitting Principal Residence Exemption (PRE) forms, which would exempt the property from any portion of the 18 mill-school tax that is billed on the winter bill. SB 77, as amended, was offered by Sen. Jud Gilbert (R-Clay Twp.). The legislation specifies that if a person purchases a non-PRE property between May 1 and Oct. 1 of any year, they may submit their exemption form and it will be valid for the taxes on the winter bill that is issued on Dec. 1. If the home is located in a school district that still bills on the winter tax bill, it would save the new homeowner the extra taxes. If the school district has shifted its taxes to the summer, the legislation would not provide relief to that particular homeowner.

BILL TO ALLOW SURPLUS COUNTY FUNDING FOR ROADS APPROVED BY COMMITTEE

The Senate Local, Urban and State Affairs Committee on Tuesday approved a bill that allows surplus county funding to be used for county road work. SB 1252, sponsored by Sen. Van Woerkom (R-Muskegon), who also serves as chairman of the committee, allows the county board of commissioners to dedicate surplus county general funds to be used for construction, maintenance and repair of roads under the supervision and direction of the board of county road commissioners. The bill received unanimous support from the committee. MTA is in support of the legislation as it may provide some funding for local roads where end of the county fiscal year circumstances permit. Hudson Township Supervisor Al Garavaglia, who traveled to Lansing from Mackinac County for the meeting, said that the legislation could help provide additional road funding in his county where they have a small surplus. Current law does not allow counties to move their general fund money raised from property taxes to road projects. The committee also heard brief testimony on legislation, HB 5211 and 5212, to amend the Michigan Zoning Enabling Act to require the consideration of transportation when planning and zoning. Townships, cities and villages would be required to consider public transportation in zoning plans along with transportation facilities and routes in subjects covered by master plans. Local units would be required to coordinate with public transportation agencies during the planning process.

END