



MICHIGAN TOWNSHIPS ASSOCIATION

WEEKLY LEGISLATIVE REPORT

September 26, 2008

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Please route to all interested parties in your township.

LEGISLATURE LOOKS TO CUT PROPERTY TAXES

In a surprise move on Thursday, the House of Representatives voted to place a constitutional amendment before the voters that will place a further cap on property taxes. HJR III was discharged from committee and approved on a unanimous vote. The proposal would amend the changes made to the state constitution by Proposal A. HJR III states that in any year the State Equalized Value (SEV) of a piece of property goes down in value, the Taxable Value (TV) of that parcel may not increase. It further states that if the SEV increases by less than the rate of inflation, then the TV may not increase by more than that percentage. It was noted that the vote took place despite the fact that no one had any estimates of the cost of the proposal. MTA's preliminary calculations place the cost of the proposal in the neighborhood of \$100 million if it is implemented next year; a desire expressed by the Senate Majority Leader. The Senate is looking to place the issue on the February 2009 ballot. Discussions with assessing officials from around the state are indicating that a SEV decrease of approximately 10 percent will be commonplace for the coming year and many are looking at real declines in total property tax collections for next year in the area of 4 percent. If this amendment is placed on the ballot and adopted, every unit of local government would be impacted by varying degrees. The Senate Majority Leader has indicated his intentions to have a vote on the measure when the Senate returns on Thursday, Oct. 2. **MTA urges township officials to contact their state senators and urge them to find ways to assist property owners without adding to the problems of local government.** Local governments are still reeling from the diversion of \$500 million per year in local revenue sharing funding to prop up the state budget.

HOUSE COMMITTEE CONSIDERS ETHICS BILL AFFECTING LOCAL OFFICIALS

The House Ethics and Elections Committee considered and approved HB 4142, a bill to require all elected officials to report each contribution or subsidy of \$50 or more that they, or a member of their family, accepts for travel during two six month reporting periods each year. Travel would include transportation costs and lodging. The bill would exempt a contribution or subsidy received from the unit of government of which he or she is an elected official and a contribution or subsidy that a family member receives from his or her employer for business travel. MTA raised several concerns with the bill during committee testimony. Before the committee vote, an amendment was added to eliminate the reporting requirement for elected officials if no contribution or subsidy had been received during the reporting period. Rep. Steve Bieda (D-Warren), the bill sponsor, did commit to MTA and other local government organizations to work on making the bill more acceptable before final floor action.

HOUSE PASSES NO REASON ABSENTEE VOTING

The House approved legislation that would allow anyone to have an absentee ballot without having to state a specific reason for the request. HB 4048, sponsored by Rep. Aldo Vagnozzi (D-Farmington Hills), passed the House on a 65-41 vote. The House has approved similar legislation in the past, but such legislation has not been taken up by the Senate. Those who oppose the legislation point to the high frequency of mistakes, such as overvoting, found on AV ballots which invalidate the ballot. When voting in person, those same mistakes are identified when the person tries to cast their ballot and the voter has an opportunity to fill out a new ballot and have their vote count.

PUBLIC PENSIONS OWNING INVESTMENT PROPERTY

A recent court decision determined that when a pension system, which provides pensions for Michigan public employees, purchases property in the state as an investment, the property becomes tax exempt. The House Tax Policy Committee reported HB 4487, offered by Rep. Rick Jones (R-Oneida Charter Twp.), which specifies that the property retains its taxable status if purchased after the first of the year.

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