



MICHIGAN TOWNSHIPS ASSOCIATION

WEEKLY LEGISLATIVE REPORT

October 17, 2008

MTA Phone: 517-321-6467

MTA FAX: 517-321-8908

Please route to all interested parties in your township.

GOVERNOR QUESTIONS REVENUE PROJECTIONS

Gov. Jennifer Granholm talked this week about the need to call an additional Revenue Estimating Conference prior to the next scheduled meeting in January. While two conferences are scheduled each year to create the best projections possible for budget purposes, they can be called at other times to evaluate the state's economic status. The governor's focus on revenues may be in response to the recent vote in the House to cut property tax revenue and the vote in the Senate to cut business tax revenue. Two areas of likely discussion are property taxes and sales taxes, both of which play a major role in local government operation. The state currently projects that property tax revenues will go down for the first time in memory, with a projected 1 percent reduction. Sales tax revenues, which support revenue sharing, are currently projected to be unchanged next year. Many are speculating that both of these estimates are overly optimistic and that projections should reflect further declines. Townships should keep a close watch on these revenues for their own budget purposes.

COURT RULES ON REMOVING INACTIVE VOTERS FROM QUALIFIED VOTER FILE

On Monday, U.S. District Court Judge Stephen Murphy ruled that the secretary of state (SOS) must stop using a current method for removing inactive voters from the Qualified Voter File (QVF). Judge Murphy ruled that the current practice of canceling voter registrations when the voter identification card is undeliverable violates federal election law. Judge Murphy also ruled that the current practice of canceling a voter registration when a person applies for a driver's license in another state also violates federal law. The immediate implication of the ruling is that anyone currently listed in the QVF as cancelled or rejected because the voter identification card was returned as undeliverable must have those designations removed until there is some additional indication that the voter is no longer eligible to vote. This designation applies to approximately 1,500 people statewide according to the office of the SOS. In the decision, Judge Murphy isn't yet requiring the SOS to stop canceling or to reinstate voter registrations based on a person applying for an out-of-state driver's license. This aspect of the case is still under judicial review and consideration. Meanwhile, the SOS is continuing to review the overall ruling and will likely provide more information to clerks soon.

COMMERCIAL FORESTLAND WITHDRAWAL PAYMENT MODIFIED

Two years ago, the Legislature made significant changes to the Commercial Forest Act. The act allows large tracts of productive forests in the state to be taxed in an alternative manner from the general property tax act. If property is enrolled in the program, a specific fee for every acre is paid in lieu of a property tax. In return, the property must be made available to the public for hunting and fishing activities. If the land owner ever wishes to develop the land, they must pay additional taxes before the land can be used for development purposes. When the change was made two years ago, formulas were created that were so extensive, no one could actually calculate the tax. PA 299 of 2008, sponsored by Rep Michael Lahti (D-Hancock), changes those formulas. It requires the state to calculate one value for each county to be used as the withdrawal penalty and each year the penalty is adjusted by the rate of inflation. Any withdrawal penalty is split between the governmental units that were deprived of the property tax revenue while the forestland was enrolled in the program.

SPOTLIGHT ON THE 98th HOUSE SEAT

The competitive 98th state House district encompasses parts of Midland and Saginaw Counties. The MTA-PAC endorsed Jim Stamas, the Republican candidate, in this seat over Garnet Lewis, the Democratic candidate. Jim Stamas served for seven years as a trustee on the Midland Township Board and later on the Midland County Board of Commissioners, where currently he serves as the vice chairman. Jim Stamas also owns and operates Pizza Sam's which has been a part of the local economy for nearly 50 years.

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