



MICHIGAN TOWNSHIPS ASSOCIATION

## WEEKLY LEGISLATIVE REPORT

October 28, 2011

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Please route to all interested parties in your township.

### **GOVERNOR UNVEILS TRANSPORTATION AND INFRASTRUCTURE PLAN**

Gov. Rick Snyder presented a special message on infrastructure this week that focused on Michigan's roads. While many news outlets reported on the potential change in the gas tax to a tax on wholesale gasoline and others reported on the potential to raise the registration fees on vehicles by an average of \$120 per year to raise additional money for our roads, few took notice of some very important statements that may impact local governments. One of the biggest questions is how this proposal will impact rural communities with the added emphasis on traffic counts and commerce.

In particular, Gov. Snyder stated: "Presently, the largest source of funding for local roads is from state fuel taxes and registration fees. In Michigan, nearly two-thirds of local road funding comes from the state while the national average for state transfers is just 20 percent. In order to focus state funds on the roads that serve the most people and have the greatest economic impact, we must give local units of government the tools they need to support local roads and local economies.

Investment in local transportation infrastructure will help to grow local economies, but those investments need to be supported by revenue raised locally. In particular, investments to facilitate place-making infrastructure including public transit and improvement of local streets, bridges and sidewalks, can encourage new economic activity, increase property values, and create more attractive places to live, work and play."

This statement was followed by a discussion of a local option registration fee of an average of \$40 per vehicle, if approved by voters on a county-wide vote. This raises questions of fewer state dollars to meet the needs of local roads, with locals being expected to pick up the slack. The governor also proposed that any city or village that was currently receiving less than \$50,000 per year in state road funds have road jurisdiction and maintenance turned over to the county. The governor wants to present the option to county commissions for them to abolish their road commissions and transfer those duties into the general county operation. The presentation also focused on mass transportation options, especially in the metro Detroit area as well as other infrastructure issues such as methods of payment for replacing sewer and water lines. The full text of his presentation can be found at <http://www.michigan.gov/snyder/0,4668,7-277-57578-264592--,00.html>

### **HOUSE COMMITTEE REPORTS COMPANION BILL TO MOVE SCHOOL BOARD ELECTIONS**

On Tuesday, the House Redistricting & Elections Committee took one more step to move all school board elections to the even-year November election date by reporting SB 427 to the full House. SB 427, introduced by Sen. Patrick Colbeck (R-Canton Chtr. Twp.), is the companion bill to HB 4005, introduced by Rep. Kurt Heize (R-Plymouth Chtr. Twp.), which has already passed the House and simply awaits final action by the full Senate. The bills are part of a two-bill package needed to accomplish the transition to even-year November starting in 2012. Once final action is completed on the House floor on SB 427 and Senate floor action occurs on HB 4005, the bills will be ready for enrollment and presentation to the governor. Earlier efforts to allow those school districts that already hold school board elections on the odd-year November election date in counties under 100,000 in population have been removed from the legislation.

### **STATE SETS INFLATION RATE FOR PROPERTY TAX ASSESSMENTS**

Each year, the constitution requires an inflation rate be calculated to be used for property tax purposes. The state uses the federal Consumer Price Index to set the rate. For property tax assessments that will be mailed next March, the official inflation factor will be 2.7 percent. This would impact any property that is increasing in value or where there is a difference between the taxable value and state equalized value.

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