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capitol currents

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A Legislative Update for Township Officials

Legislation approved to fix weekend tax collections

The Michigan Legislature approved legislation that clarifies a legal interpretation that concluded that treasurers must hold office hours on Saturday, Feb. 28, 2009. Under state law, all treasurers who collect property taxes are required to hold office hours from 9 a.m. to 5 p.m. on the last day that taxes can be paid without penalty and interest.



Delinquent property taxes are turned over to the county treasurer on March 1. At that time, a 4 percent penalty is applied to the bill as well as 1 percent interest for each month or part of a month that the taxes remain delinquent. Treasurers are required to be in their offices so that no one ends up being penalized with 5 percent being tacked on to their property tax bill because they couldn't find the treasurer to make their payment.

This issue has become very complicated this year because Feb. 28 falls on a Saturday. Under normal circumstances, when a due date established under state law falls on a weekend or holiday, the due date is automatically moved to the next business day. In the case of holding office hours, an attorney with the state's attorney general's office concluded that the due date should not be changed and as a result all treasurers were required to open their offices on a Saturday.

House Bill 6623 was offered by Rep. Steve Bieda (D-Warren) to amend the Property Tax Act to specify that any time the last day taxes can be paid without penalty and interest falls on a weekend or holiday, the deadline will be delayed until the next business day. The legislation was approved in both the state House and Senate and as of press time is awaiting the governor's signature.

This legislation will have various impacts on different communities. State law effectively allows communities to choose between two due dates for winter property taxes. State property tax law requires that all winter taxes be paid by Feb. 14. After that date, 1 percent interest is

applied on late payments with the February interest being retained by the township. However, the law also allows the township to pass a resolution that waives the interest for February on winter tax bills. In communities that don't charge interest, the due date for all practical purposes becomes the last day of February.

This year both due dates fall on the weekend. Those townships with the Feb. 14 due dates already shifted the last day to pay taxes to Tuesday, Feb. 17. The shift was a combination of the weekend and the federal holiday that occurs on Monday, Feb. 16. When HB 6623 is signed into law, it will not only change the issue of when treasurers need to be in their offices, but it will also change the date when taxes are due in those townships with a Feb. 28 due date. The change in law will mean that citizens can pay their taxes through Monday, March 2 at 5 p.m. and still have the payment considered timely. The law contains no new notice requirements regarding the change in dates.

Townships that do not waive delinquent interest for February have taxes that are due on Feb. 17. Once HB 6623 is signed into law, townships that waive the interest will have taxes that are due on March 2. All township treasurers will be required to be in their offices from 9 a.m. to 5 p.m. on Monday, March 2, 2009, and all treasurers will turn over any unpaid property tax bills to the county treasurer on March 3, 2009. No treasurer will legally be required to hold office hours on Saturday, Feb. 28, 2009, once HB 6623 is signed into law. Those who included the Feb. 28 office hours on the tax bill may decide to hold office hours on that day from a service standpoint. Due to the late nature of the legislation, some townships may choose to incorporate the news of the delayed due date for property taxes as an insert in the assessment notice that must be mailed by March 1 or within planned township newsletters. ■

MTA-PAC BOOTH

Don't forget to stop by the MTA-PAC Booth at The Annual Educational Conference and Expo. The booth will be located in the foyer outside the exhibit hall. You can't miss it. See you there!

Congress to consider massive economic stimulus package

President-elect Obama and the U.S. Congress are currently considering a multi-hundred billion dollar economic stimulus package to be voted upon in early January. The stimulus package will evolve from legislation that has already been introduced in the U.S. House (H.R. 7110) and the U.S. Senate (S. 3604 and S. 3689).

The effort is to put millions of people to work on "ready to go" infrastructure projects. These projects include many that will benefit townships, as well as other local governments around the country. Use this link http://www.michigantownships.org/downloads/natat_stimulus_recommendations.pdf to view a complete list of programs that provide the greatest benefit as identified by the National Association of Towns and Townships (NATaT) and the Michigan Townships Association (MTA).

NATaT and MTA believe one of the greatest ways to stimulate the economy is to reinstate the General Revenue Sharing Program. From 1972-1986, the General Revenue Sharing Program provided unrestricted federal funds directly to states and local governments. The funds could be used for any project by the recipient governments. The last six years of the program, funds went solely to local governments and were distributed on a per-capita basis. In the past, these funds meant different things to different communities. It could mean better schools or better hospitals, more police on the streets, or to some job training, recreational facilities or transportation projects. The program allowed local officials to respond to needs of the local community.

NATaT and MTA are urging you to contact your two U.S. Senators (Levin and Stabenow) and your member of the U.S. House of Representatives asking them to include at least \$50 million of General Revenue Sharing Funds in the economic stimulus package and to direct those funds to local governments including townships. A sample letter to our senators is located at http://www.michigantownships.org/downloads/natat_senate_stimulus_letter.pdf and a sample letter to

your U.S. Representative can be found at http://www.michigantownships.org/downloads/natat_house_stimulus_letter.pdf. Please fax or e-mail letters to federal legislators as the mail service takes an extremely long time to reach members of Congress. Additional contact information is listed below.

Sen. Carl Levin Ph: (202) 224-6221 Fax: (202) 224-1388 E-mail through Web site: <http://www.levin.senate.gov/contact/>

Sen. Debbie Stabenow Ph: (202) 224-4822 Fax: (202) 228-0325 E-mail: senator@stabenow.senate.gov

Your member of the U.S. House of Representatives can be found at www.house.gov and either put in your zip code at the top of the page or click onto the member telephone directory.

In addition to the push for the return of the General Revenue Sharing Program for local governments, NATaT and MTA also support the following efforts to finance local infrastructure projects and hope that they are included in the economic stimulus package:

- To urge members of Congress to include \$65 billion in Transportation Stimulus Funds through the Surface Transportation Program (STP). This program provides maximum flexibility to state and local governments in advancing bridge, bus, rail, road and safety projects.
- To urge members of Congress to include \$10 billion in funding for the Department of Energy "Energy Efficiency and Conservation Block Grant" program for local governments to create good green jobs and clean energy projects.
- To urge members of Congress to include \$37.5 billion for Environmental Protection Agency's Clean Water and Drinking Water State Revolving Funds in the form of direct grants to local communities rather than loans for sewer and water infrastructure projects.
- To urge members of Congress to include at least \$1 billion for the U.S. Department of Agriculture's Rural Communities Facilities Program, Rural Development Loan Fund Program, and Rural Water and Waste Disposal Program. For the Rural Communities Facilities Program and the Rural Water and Waste Disposal Program, request that funds be distributed in the form of direct grants rather than loans.
- To urge members of Congress to include \$125 million for the National Park Service's Land and Water Conservation Fund, which provides grants to states and local governments for the acquisition and development of public outdoor recreation areas and facilities.
- To urge members of Congress to include \$20 billion in funding for the Community Block Grant Program (CDBG), which can be used to stimulate local economies by creating jobs through a variety of different means.

The federal government will soon be spending hundreds of billions of dollars to jump-start the U.S. economy. Regardless of whether or not you support this type of federal government spending, it's going to happen. Let's make sure that a significant amount of these dollars are coming to Michigan townships. ■



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Governor makes budget cuts; spares revenue sharing

On Dec. 10, Gov. Jennifer Granholm submitted an executive order to the Legislature outlining \$134 million in state budget cuts. That same day, the House and Senate Appropriations Committees approved the order that reduces current fiscal year funding. Revenue sharing was not impacted by the action. Operation funding for schools, community colleges and universities were also spared.



The biggest cuts were made to the Michigan Department of Corrections (\$28.2 million), including the closure of two small prisons or camps. Case reductions will also save the Family Independence Program \$23.3 million. The action was predicated by declining revenue forecasts and a continued downturn in the economy. The cuts help solve the estimated deficit of \$240 million for the current fiscal year that began on Oct. 1, 2008.

The executive order cuts were less than originally feared due to a higher than anticipated carryforward from the previous fiscal year budget. The governor is also hopeful that a proposed federal stimulus package, expected in January, will provide financial relief for the state of Michigan. Many consider the cuts a first step as additional reductions may be needed after the first of the year depending on conditions with the state and national economy including the status of the U.S. auto industry.

Townships should be very conservative in planning their budgets as sales tax revenues are expected to decline resulting in reductions on constitutional revenue sharing too. These types of reductions are made without legislative approval as they are considered accounting adjustments, when sales tax revenues don't meet projections. ■

MTA looking for volunteers for input

The MTA Legislative Department is conducting a comprehensive review of state statutes that are relevant to townships. The purpose of the review is to identify areas in state laws that are currently ambiguous, incomplete or outdated. Staff from the MTA Legislative Department and the MTA Information Services Department initiated the review and now would like to pull together a group of township officials who are willing to participate in the review process. MTA staff is hopeful that such an effort can be completed in no more than three meetings, much of which could be done via conference calls and other electronic means. If you would like to be involved, MTA would like to include you and would appreciate your input. The initial meeting is expected to take place in mid-February, 2009. To volunteer, please contact David Bertram by Feb. 6, at david@michigantownships.org or 517-321-6467.

Sunday morning alcohol sales considered

Legislation that would allow the sale of alcohol between the hours of 7 a.m. and noon on Sundays could become law by the end of the year. Senate Bill 1558, as amended by the House, would require a liquor licensee to purchase an additional license in order to sell on Sunday mornings. The legislation would apply to both packaged and on site sales.

The legislation gives local governments discretion on the issue of Sunday morning sales in their community. No Sunday morning licenses will be issued in communities that do not allow liquor sales at other times on Sunday. Local units of government that currently allow sales on Sunday after noon may pass resolutions against Sunday morning sales in their community. Locals are given the option of prohibiting packaged sales, which would prohibit local stores from selling beer, wine or alcohol before noon or the local government can pass a resolution that would only stop restaurants and bars from selling Sunday mornings. A resolution can be adopted by the local government which would prohibit all forms of sales on Sunday morning. Prohibiting Sunday morning sales does not require local voter approval. ■

Budget woes cause MDOT snowplowing policy change

Old man winter is here and the typical weather related issues that go along with winter are on Michiganders minds. No one knows how severe our winter season will be but Michigan motorists could be facing a few more snow covered roads than in previous winters.

The Michigan Department of Transportation (MDOT) recently announced new approaches to how they will apply salt and plow Michigan roads for the winter season. In short, MDOT is being forced, due to budget shortfalls, to use less salt and can no longer afford previous levels of overtime pay for extra snowplowing. Price increases in salt alone have skyrocketed by almost 25 percent in the past 18 months. Officials at MDOT want motorists to understand that using salt most effectively is relevant to temperatures (changing temperatures) and snow fall levels.

MDOT will be prioritizing their winter maintenance on state highways into routes of international, national and statewide significance. Factors such as passenger and commercial traffic volumes, population density, employment locations, tourism destinations, and connections to other transportation facilities are considered in this process. Orange routes, representing 34 percent of state highway miles, will receive top priority status. For more information and maps go to <http://www.michigan.gov/mdot/0,1607,7-151-9615-202824--,00.html>. ■



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House approves early voting: Senate takes no action

In early December, the full House approved legislation, by a 58-50 vote, to require early voting on the Friday, Saturday and Monday prior to each election. The vote was pretty much along party lines with most Democrats supporting and most Republicans



opposing the measure with three exceptions. Rep. Marty Griffin (D-Jackson) was the lone member of his party to oppose the legislation while term limited Republican member Rep. Ed Gaffney (R- Grosse Pointe Farms) and second term Rep. Tory Rocca (R-Sterling Heights) supported the bill. Two members were absent for the vote.

Despite the final vote, improvements were made along the way to the original version of House Bill 4090, introduced by Rep. Aldo Vagnozzi (D-Farmington Hills). The bill originally called for early voting 14 days before each election. It was changed to eight days before each election, and then wound up at three days before each election.

The legislation requires a minimum of eight hours of early voting during those three days. Clerks have the option of offering additional early voting hours on those days as well. MTA had suggested in public testimony over the course of several committee hearings on the legislation that early voting be limited to the Saturday and Monday before each election. The rationale was that clerks have to be available those two days for last minute absentee voting (AV) anyway.

MTA remained opposed to the final version of the bill that was approved in the House over cost and logistical issues. No provisions were

included in the legislation to pay for the cost of hiring additional election inspectors to cover the days of early voting nor was there recognition that many areas, rural areas in particular, would have difficulty finding suitable locations to conduct early voting. Several other logistical issues were unresolved in the bill including not addressing the need for a Republican and Democrat to be present at all times during early voting. Other concerns raised included security of the election tabulators, getting additional qualified election inspectors, and the busyness of clerks setting up their precincts just prior to the election to mention a few.

Prior to House passage, an amendment eliminated the requirement that early voting ballots could not be counted until the close of polls on election day, which was an improvement. The legislation was also tie-barred to House Bill 4048, the no-reason AV bill, which would allow voters to vote AV ballot for any reason. With the tie-bar, House Democratic leadership knew that the bill was dead on arrival in the Senate as the Senate Republican majority has been reluctant to move forward with the no-reason legislation. MTA strongly supports the no-reason AV legislation.

In the end, the House passage of HB 4090 really became a favor to term limited Rep. Vagnozzi, providing him a legacy for his efforts on early voting. However, any true efforts at implementing early voting will have to take into consideration the concerns of local clerks, especially those in rural communities.

Despite the circumstances of the House passage of HB 4090, MTA still extends our thanks to those representatives who voted against the current version of the bill and looks forward to working on an early voting bill that will accommodate communities with clerks that do not maintain full-time business hours. ■