

CAPITOL CURRENTS

A Legislative Update for Township Officials

IN THIS ISSUE

- Rights-of-Way.....2
- METRO Payments.....2
- Election Consolidation.....3
- Economic Outlook.....3
- Summer Legislative Forum...4

Treasury Department Budget: Revenue Sharing Given Highest Rating

Is there good news in store for revenue sharing? Actions taken by a House Appropriations panel overseeing the budget containing revenue sharing would certainly make you think so.



In late April, there was a surprise move by the Senate Appropriations General Government Subcommittee to cut \$22.4 million from revenue sharing payments to local governments in the 2006 fiscal year. On Wednesday, May 18,

however, the corresponding committee in the House—Appropriations General Government Subcommittee—as a part of a new “budgeting process,” released its budget priority rankings. Constitutional and statutory revenue sharing payments received the highest rating out of 54 programs under the Treasury Department budget. Revenue sharing was rated a 3.8 out of a possible 4. MTA is hopeful that this high-ranking status will be upheld when the treasury budget is approved in the House.

MTA would like to thank the state representatives who serve on the general government subcommittee for their support: Chairman Daniel Acciavatti (R-Chesterfield Charter Twp.), Geoff Hansen (R-Hart Twp.), Shelley Goodman Taub (R-Bloomfield Charter Twp.), Lee Gonzales (D-Flint Charter Twp.) and Clarence Phillips (D-Pontiac).



Summer Property Tax Deferrals are Deferred

The newly enacted **Public Act 24 of 2005** (House Bill 4188) is designed to increase the number of senior citizens eligible to defer payment of summer property taxes.

When the Legislature decided to move more property taxes to the summer bill, many legislators were concerned about the ability of low-income senior citizens to pay those tax bills. State law already allowed these individuals to defer the payment of the tax until the winter bills were due, giving a taxpayer time to apply for a homestead property tax credit through the state income tax system. These deferrals were only allowed if the senior had household income of less than \$25,000, an amount that had been unchanged for years.

HB 4188 was introduced to increase the qualifying income to \$35,000. The original legislation would have made the change effective for this summer’s tax. However, after the legislation went through several amendments, it was discovered that the legislation was modified in such a manner that **the changes will not have an impact until the summer of 2006**. As a result, treasurers do not need to change any forms for this summer’s collection, and the same standards will apply as have been used in the past.

The new law will also impact other individuals who have been eligible for the deferral in the past, including certain individuals with disabilities, and eligible servicemen and their widows. Agricultural deferrals do not use this income standard and the eligibility standards remain unchanged.



Treasurers do not need to change any forms for this summer’s collection, and the same standards will apply as have been used in the past.

Bill Introduced to Strip Local Consent Over Rights-of-Way



A controversial bill that was under the threat of moving during the lame-duck legislative session has been reintroduced in the new session. **Senate Bill 522** was introduced by Sen. Michelle

McManus (R-Leland Twp.) on May 19, 2005, to remove local consent over the placement of and construction of *all* utilities within limited access highways. The bill is a reintroduction of HB 6314, which was approved by the Michigan House on November 10, 2004, but never received a vote in the Senate. MTA is very concerned that SB 522, which has been assigned to the Senate Transportation Committee, could be placed on a fast-track.

The bill attempts to address a Michigan Supreme Court decision (*Mayor of the City of Lansing v MPSC and Wolverine Pipeline Co., No. 124136*) handed down in June 2004 that upheld the City of Lansing's consent prior to construction of a Wolverine gas pipeline in a highway right-of-way. The bill, however, goes well beyond the case, and would strip away local government consent of *all* utilities within *all* "limited access highways." The bill would apply to all federal, state and local limited access highways, and all utilities, including telecommunication, electric, cable and gas pipelines.

Last session, MTA testified against the legislation in committee and outside the House chamber for a number of reasons. First, taking away local consent over all limited access highways is bad public policy. There are thousands of miles of gas pipelines in the ground across Michigan that first received local consent before they were placed in the ground. When pipeline routes are determined by companies,

they take diligence in finding the best route for their lines that would involve the least amount of resistance from residents and the community, and yet allow the company reasonable access to maintain and repair lines.

If SB 522 is adopted, limited access highways will become the automatic default rights-of-way used for all utilities. MTA questions whether highway rights-of-way that experience tremendous vibration from 35,000-40,000 trucks and cars a day are the appropriate location for gas pipelines that would experience constant stress. Placing pipelines alongside the highway would make routine maintenance and repairs nearly impossible for traffic flow, and would cause a highway to shut down in the event of a leak.

SB 522 would leave the Michigan State Transportation Commission and Michigan Public Service Commission with oversight regarding future utility routes in limited access highways. These agencies are charged with regulating our roads and setting rates for utilities.



Article 7, Sections 29 and 34, of the 1963 Michigan Constitution charge local government with regulating public rights-of-way. Local governments must have input and oversight regarding the location of utility infrastructure.

MTA is asking township officials to contact their own senator soon about local government concerns over this bill, which will likely be addressed in the Senate Transportation Committee in June. Township officials are also asked to directly contact the Senate Transportation Committee members: **Senators Gilbert** (chair), **Kuipers** (vice chair), **Goschka, Leland** (minority vice chair) and **Basham**.

CC



David Bertram
Editor

Bill Anderson
Tom Frazier
Associate Editors

Michigan Townships Association
512 Westshire Drive, P.O. Box 80078
Lansing, MI 48917
(517) 321-6467
Fax (517) 321-8908

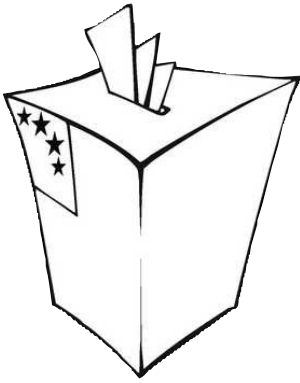
E-mail legislation@michigantownships.org

From the METRO Authority: Notice to All Municipalities

The METRO Authority has experienced delays in processing telecommunication provider invoices.

Because of these delays, the annual payment to municipalities will be mailed in July of 2005.

Election Bills Would Alter Election Consolidation



Several recently introduced bills could, in some way, alter the two election consolidation packages signed into law last year. Two bills—**Senate Bills 514** and **515**—are primarily technical changes that need to be made to state law. SB 514 would make certain references to election law in the school code, while SB 515 is somewhat more substantial, as it would eliminate the requirement that community

college elections be held the same time as school elections.

The remaining bills that were introduced are significantly more substantial. **House Bill 4755**, introduced by House Majority Leader Chris Ward (R-Brighton Twp.), would require school districts and villages to hold their elections in November starting in 2006. Under the proposed legislation, school districts and villages would be given the option of holding elections every year, at every even year November election, or at every odd year November election. Under election consolidation, school districts had the option to choose either the May or November election date.

In addition, election consolidation provided villages the option of choosing a September election date if they wanted to conduct their own election. The bill has been assigned to the House Oversight, Elections and Ethics Committee and, as of press time, had not yet received a committee hearing.

Senate Bill 513, introduced by Majority Floor Leader Bev Hammerstrom (R-Bedford Twp.), would enable county clerks serving as the school election coordinator to require local clerks—even if the local clerk opted out of conducting school board elections—to perform the additional duty of notifying school district electors of precinct and polling place location changes.

In addition, the legislation calls for determining which election commission—county, city or township—shall establish the school district's election precincts and polling locations. Also under the proposed legislation, is the change that, if the township board or the board of county election commissioners does not fill a vacancy within 45 days, the county clerk would be responsible to call a special election (which would have to fall on one of the four election days), rather than the governor as is currently the case. To avoid holding both a primary and general election, the bill would designate the township party committee for each political party in the township to submit a nominee to fill the vacancy, thereby limiting the time frame to fill the vacancy to just one election.

Finally, the bill allows school districts to open up the process of deciding when school board elections could be held. Under

current law, school districts had to choose between the May and November election dates by the end of last year. Any changes thereafter could only be made to move the school board election to the odd year November election. SB 513 would add the following possibilities of when the school board election could be held by passing a resolution:

- the general November election,
- the November election date in both even and odd years,
- or the odd year May regular election date.

The bill also makes some adjustments to requirements for printing ballot proposals in the local newspaper.

In addition, Sen. Jason Allen (R- Traverse City) has introduced **SBs 516, 517** and **518**, which would alter the village home rule act, cities home rule act and village general law act, respectively, by allowing cities and villages to stagger their terms of office by passing a resolution to that affect notwithstanding any charter provision. The bills would also provide that initial terms may be longer than allowed under the charter, to facilitate the staggering of terms.

As of press time, the Senate Government Operations Committee was considering all of the Senate bills.

CC

Economic and Budget Outlook: Michigan's Economy is Fragile

Michigan's latest economic data was reviewed during a revenue estimating conference at the Capitol on Thursday, May 19. Projections show that, while revenue collected



by the state will keep the current budget year in the black, concerns loom for fiscal year 2006. The revenue estimate issued by state Treasurer Jay Rising, Senate Fiscal Agency Director Gary Olson and House Fiscal Agency Director Mitch Bean shows that the state should finish the current fiscal year with a \$16.5 million surplus, which is already earmarked for community colleges and universities.

However, revenues for fiscal year 2006, beginning on October 1, 2005, are expected to finish roughly \$78 million short of projections made in January. Economists explained that, while Michigan's economy is very fragile, very slow growth is expected over the next year. The Legislature is well into the appropriations process for the 2006 fiscal year, and the fresh revenue figures will assist senators and representatives in the budget approval process.

CC

CAPITOL CURRENTS

Michigan Townships Association
512 Westshire Drive
Lansing, MI 48917

PRSRT STD
U.S. POSTAGE
PAID
PERMIT NO. 765
LANSING, MI



printed on recycled paper

June 2005

Page 4

Local Leaders Meeting Legislative Challenges



Election Issues
Property Tax Collection & Disbursement Issues
3C's of Zoning: Cooperation, Consolidation & Conditional
Where Did This Bill Come From?

Start meeting the legislative challenges of Mt. Legislation by registering today!

MTA knows that as a local leader in your community, you want to meet the legislative challenges head-on and MTA is going to help you. At this year's Summer Forum, to be held at Boyne Highlands Resort in Harbor Springs, we are going to help you during your climb to the top by discussing election issues, federal issues, property tax collection and disbursement, and the 3C's of zoning: cooperation, consolidation and conditional.

We are inviting the Michigan legislative leadership for an update on what the cliffs to that mountain might be and what obstacles they foresee for local communities. In addition, MTA is going to let you know about a few of the "hidden loose rocks" on that mountain during our "Where did this bill come from?" discussion.

But all your time at the Summer Forum is not going to be meeting the legislative challenges of "Mt. Legislation." We have also set aside plenty of time for you to network. For those that golf, we will also have our golf outing (not included in registration) on Wednesday.

Registration materials were mailed to each township official in April 2005.

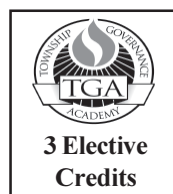
Three Ways to Register:

1. Mail your registration form with payment to:
MTA, P.O. Box 80078, Lansing, MI 48908-0078.
2. Fax your completed form with credit card payment to:
(517) 321-8908.
3. Go to www.michigantownships.org and register online. Click on the "**Upcoming Events and Workshops**" link to begin.

Summer Legislative Forum

August 10-12, 2005

Boyne Highlands Resort, Harbor Springs



www.michigantownships.org