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A Legislative Update for Township Officials

State Budget Approval Moving Slowly as Second Shutdown Deadline Nears

The Legislature adopted a 30-day continuation budget on Oct. 1, 2007 that pushed the 2008 state fiscal year budget deadline back to the end of October. However, the state budget clock continues to tick with only seven days remaining (as of press time) before the new deadline and significant budget work remains. In early October, along with approving the income tax increase and a use tax on services, it was determined that more than \$430 million still must be trimmed from the state budget.



Budget discussions have been taking place on individual budgets but mostly behind closed doors as no budget conference committees were held prior to Oct. 24. Several conference committees were scheduled to meet on Oct. 25, to nudge the budget process along. Legislative leaders promised that the budget would be completed by the new deadline just as the public portion of the process begins. Even if legislators are able to reach agreement by the Oct. 31 deadline, the second round of delays in budget action is now likely to cause revenue sharing payment delays to local units of government. Initial revenue sharing payments in each state fiscal year are made to local governments at the end of October. The Department of Treasury will likely need additional time to process payments. Townships should plan accordingly. MTA has further learned that there is general agreement to freeze the total amount in the revenue sharing to all local governments. This still could cause minor variations for individual communities as compared to the previous year.

MTA is also aware of a potential threat to Payments-In-Lieu-of-Taxes (PILT) to local governments for state owned land within the Department of Natural Resources budget (House Bill 4354). It has been difficult to confirm specifics, but several lawmakers have shared that there are those who want to rid the state of its obligation to pay local governments for the millions of acres that it owns. An \$8 million shortfall exists in the DNR budget, which is fueling a debate about potential layoffs of 79 employees or fee increases. Some fee increase proposals include hiking the hunting and fishing licenses. MTA will continue to monitor the budget process.

The Future of Revenue Sharing

One decade ago, the Michigan Legislature adopted a new formula for the distribution of statutory revenue sharing funds. That formula was the culmination of months of work on the part of a special joint legislative committee. When enacted into law, the new formula was designed to be phased in over a ten year period, with the final shift to occur during the past state fiscal year. The law also had a very disconcerting clause that offered no distribution formula for the fiscal year that began on Oct. 1, 2007.



Under normal circumstances, not having a distribution formula for statutory revenue sharing would be good reason to send shock waves throughout the local government community. Unfortunately, we are not dealing with normal circumstances. Because of budget constraints, the formula for distributing statutory revenue sharing has not been used for years. Instead, the Legislature has amended the act each year to say that cities, villages and townships would receive no more in total constitutional and statutory revenue sharing than they did the year before.

In order to create a clear understanding of where revenue sharing would head in the future, Sen. John Pappageorge (R-Troy) sat down with MTA and the Michigan Municipal League to place a new formula into law. After numerous meetings, Sen. Pappageorge was able to forge an agreement with both organizations that covers until the next critical juncture, the 2010 census.

Under the new language, found in House Bill 5193, offered by Rep. Steve Tobocman (D-Detroit), the state will follow the past practice of freezing or reducing total revenue sharing based on the total of both constitutional and statutory amounts. The legislation also includes the provision that when funding for statutory revenue sharing increases, the money that exceeds the base will be distributed based on the three part formula that was established a decade ago.

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House Debates Early Voting Legislation

The House Ethics and Elections Committee recently heard testimony on two proposals to implement early voting throughout the state. The traditional approach to early voting provides a voter the opportunity to go to a clerk's office or polling place to cast a vote in person prior to Election Day. While MTA supports the concept of early voting, as long as it is modified to accommodate communities with clerks that do not maintain full-time business hours, we see several problems with the bills as introduced.

House Bill 4090, introduced by Rep. Aldo Vagnozzi (D-Farmington Hills), requires every city, township and village clerk to provide early voting at polling places designated by the city, township or village clerk 14 days before each election. The legislation requires that the polling places are open at least eight hours Monday through Friday; staffed by at least one election inspector; and that the poll book be divided by date. In addition, the legislation requires that separate records are maintained for each early voting day. The early voting period would end on the Monday before each election. This legislation raises serious obstacles for those local governments that do not maintain full-time business hours, have difficulty acquiring other suitable polling places or for those clerks that work out of their homes.

Meanwhile, House Bill 4508, introduced by Rep. Chris Ward (R-Brighton Twp.), is a repeat of legislation that he introduced in 2005 to combine the concept of early voting and no-reason absentee voting (AV). Under HB 4508, a voter could appear at the city, township, or village clerk's

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office during the seven days preceding the election (not counting a Sunday or holiday) to complete an AV ballot application without having to provide a reason to vote absentee. The voter would then be issued an AV ballot and would vote the ballot at the clerk's office. The legislation also calls for the voter to insert the ballot into a voting machine tabulator to check his or her ballot for errors (overvotes or undervotes) but the ballot would not be counted until Election Day. However, this language may create a technical problem in that current technology does not allow for the tabulator to take in a ballot without tabulating it.

HB 4508 allows for local clerk's who do not maintain normal business hours to enter into an agreement with the county clerk to perform the early voting function. Under this scenario, voters would go to the county clerk's office to vote. MTA has raised several concerns about this stipulation in addition to the obvious concern over local control. These concerns include the problem that in many instances, voters would have to travel long distances to the county clerk's office to be able to vote. This could also cause confusion, especially among older voters, about changing voting locations to vote early.

Additional concerns would be whether or not a county clerk would require reimbursement from a local unit of government to provide the early voting service and whether the county clerk would have the staff and office space available to handle these duties. With early voting at the county level, voters could also easily get the wrong ballot, as the county clerk would be dealing with multiple local government ballots. There could also be confusion if the county clerk was issuing an absentee early voting ballot and the local clerk was issuing the regular AV ballots to those who wanted to vote in the comfort of their homes and send back the completed AV ballot by mail.

Finally, HB 4508 creates two classes of absentee voters: One who must state one of the current six reasons for requesting an AV ballot and the other person who can walk into a clerk's office and vote an AV ballot for any reason. In addition, if the technology concerns mentioned above can be worked out, one absentee voter would be able to check their ballot for accuracy and the other (traditional AV) would not have this option.

It should be noted that during the House Ethics & Elections Committee hearing, both Reps. Vagnozzi and Ward indicated their willingness to work with MTA and other interested parties to resolve some of the issues addressed above. Also, Committee Chair Rep. Mark Corriveau (D-Northville) has indicated that he will be putting together a legislative workgroup to attempt to resolve concerns over the legislation before moving forward.

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The new formula will expire in 2011 when the new census figures are announced. The census will likely shift a great deal of the constitutional revenue sharing and would thus impact the distribution concepts used over the past number of years. The legislation is expected to be signed into law by the first of November.



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State Government Mandates on Local Governments Being Reviewed

One part of the state budget agreement reached on Oct. 1, 2007, included a number reform items. While most of the attention has been given to plans that reform the public teacher health care system, another portion of these reforms includes a package of bills that creates two new legislative commissions to review ways the state can become more efficient and to examine all state mandates placed on local governments. The package of bills, Senate Bills 395-398, gained swift approval and were signed into law early in October. They are now Public Acts 99 and 96-98 of 2007, respectively.

For local governments P.A. 98 is of particular interest. The new law creates a five-member commission to be appointed by the Legislature within 60 days of the effective date of the act (by Dec. 3, 2007). Members of the commission will serve for three years and are charged with reviewing all funded and unfunded mandates and reporting requirements imposed on local governments in state law. The commission is also required to determine the costs of these mandates. The commission has roughly one year to review and determine these costs, however, specific determinations to the governor and Legislature are not due until Oct. 1, 2009. Legislators are not eligible to serve as members of the commission.

MTA greatly appreciates the efforts of the sponsor of P.A. 98, Sen. Bruce Patterson (R-Canton Charter Twp.) and Rep. Phil LaJoy (R-Canton Charter Twp.) in the House to initiate this important review of mandated costs placed on local governments. As the work of this new commission proceeds, undoubtedly, MTA will be asking for input from township officials about the impact of state requirements placed on your township.

House Committee Reports Tipping Fee Distribution Legislation

The House Great Lakes and Environment Committee recently reported House Bill 4222, introduced by Rep. Terry Brown (D-Winsor Twp.), to the full House for consideration. The bill is the companion bill to HB 4221, passed several months ago by the House to raise solid waste tipping fees by \$7.50 per ton. If the tipping fee were enacted, it is expected to bring in at least \$155 million per year as well as help to slow down the amount of waste coming in from Canada and other states. HB 4222 distributes the money raised by the tipping fee back to local communities on a per capita basis for recycling programs and for other general health, safety and welfare purposes.

One change to the bill that raises concern coming out of committee is to provide \$8 million per year for the next two years and \$17 million

House Looks to Amend Michigan Zoning Enabling Act

The House Intergovernmental Urban & Regional Affairs Committee began work on HB 5053, offered by Rep. Barb Byrum (D-Onondaga Twp.), which would amend the new Michigan Zoning Enabling Act. The legislation is intended to clarify some of the provisions of Public Act 110 of 2006.

The legislation adds some additional clarity to notice requirements for rezoning property. It specifies that notice is only required to be given to one occupant per dwelling unit and that if one building contains more than four dwelling units the notice is only provided to the building manager or owner who is responsible for posting the notice at the primary entrance to the building.

In counties and townships, the Zoning Board of Appeals (ZBA) retains one member from the planning commission, but this issue is an option in cities and villages. The legislation also specifies that one member of the township board may serve as a regular or alternate member on the ZBA, but that person shall not serve as the chair.

A separate section specifies that a member of the planning commission or the township board who serves on the ZBA may not participate in the public hearing or vote on an issue that they have considered through their duties on the planning commission or board. This restriction does not apply to an unrelated issue involving the same property. This language is an attempt to bring the law into compliance with a series of court decisions that are trying to avoid situations where one person is allowed to vote multiple times on the same issue.



per year thereafter to the market development fund rather than utilizing that portion of the money for recycling and general purpose efforts. Another minor concern is that some additional money, more than previously discussed, would be appropriated to DEQ, starting in fiscal year 2011, to administer the program.

MTA has supported both bills as long as the majority of the revenue is distributed back to local units on a per capita basis.

As HB 4222 is about to come up for consideration on the House floor, there is an attempt to single out those communities that directly provide waste collection services for their citizens so they would receive the first part of revenue forwarded to local communities under the distribution formula.

MTA will continue to follow very carefully developments with this legislation as it moves through the House. It remains to be seen what action, if any, the Senate will take on the tipping fee package once it is finished by the House.



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Last Call for the FREE MTA Candidate Informational Seminar

MTA is planning its biannual candidate informational seminar on Monday, Dec. 3, at the MTA office from 9:30 a.m. to 3:30 p.m. The seminar is geared towards township officials that are or may be considering a run for state legislative seats in 2008 or beyond. The seminar will highlight various aspects of how to run a successful campaign. Technical experts

will address such issues as how to organize a campaign, utilizing today's technology, mailing rules and regulations, PAC and association support, campaign message development, finance and campaign reporting requirements, grassroots efforts, district networking, and fundraising.

It's increasingly more important to have people serving in the Legislature with a local government perspective. We hope that if you are considering a run that you will sign up for the seminar. The registration deadline is Friday, Nov. 16. Those interested in attending the FREE seminar should contact Tom Frazier at (517) 321-6467 or tom@michigantownships.org.

Grassroots Sign-Up

If you are an elected township official, MTA invites you to become a part of our legislative efforts. Join our MTA Grassroots Network and be a part of communication with the Legislature on key township issues. When the MTA membership backs up MTA legislative efforts, it helps legislators understand that MTA has the support of township officials. Legislators listen to their constituents. You're important to us, so join today and help make a difference. Not sure if you are already a member? Fill out the form and we can update our records.

Name: _____
Position: _____
Township: _____
County: _____
Mailing Address: _____
Daytime Phone: _____

In an effort to help MTA identify your interests related to specific legislative issue areas, would you please mark any of the following topics that are of interest to you.

- Assessment & Tax Issues
- Election Issues
- Environmental Issues
- Land Use Issues
- Local Authority Issues (i.e. revenue sharing)
- Transportation Issues
- Federal Issues

How would you prefer to receive your Grassroots Network information from MTA (choose one):

E-mail: _____
 Fax: _____
 Township Fax Personal Fax

Signature: _____

Date: _____

Return to: Michigan Townships Association, P.O. Box 80078, Lansing, MI 48908-0078 or Fax: (517) 321-8908.