

Michigan Township **INSIGHTS**

Weekly News and Information from the Michigan Townships Association | May 20, 2016

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LEGISLATIVE UPDATE

'Dark stores' bill clears first hurdle

A bill that would repair a major problem in Michigan's property tax system took its first step toward passage this week. **HB 5578**,

sponsored by Rep. David Maturen (R-Brady Twp.), was reported by the House



Tax Policy Committee in an 11-2 bipartisan vote. If enacted, the bill would put an end to the detrimental "dark stores" assessment theory by requiring that commercial property be assessed at its highest and best use. For years, the Michigan Tax Tribunal has allowed big box retailers to be valued based on sales of similarly sized properties that are vacant, abandoned or now used for a different purpose--leading to huge cuts in their property taxes and giving them a significant tax advantage over small businesses. HB 5578 would end this unfair practice by putting sound appraisal standards into law, creating a fair, equitable system for resolving disputes. The bill also prevents the inappropriate use of deed restrictions as an unreasonable sales comparison during an appeal. "Rep. Maturen's bill creates a level playing field and requires all taxpayers to be treated fairly," MTA Director of Government Relations Judy Allen said. "Contrary to arguments that these properties are over-assessed, this practice is the result of large, often out-of-state corporations exploiting a faulty assessing theory."

It is critical that township officials contact their state representative and state senator and urge their support for HB 5578. Please feel free

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[MTA Store](#)
[Township Governance Academy](#)
[Allied Service Providers](#)
[Classified Ads](#)
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UPCOMING MTA EVENTS

****Double Feature:**
[Election Tips & Tricks plus Your Township as a Workplace](#)
****UP North Summit**

ALLIED SERVICE PROVIDERS



* [Asphalt Materials, Inc.](#)

* [Bauckham, Sparks, Thall, Seeber & Kaufman, PC](#)

to use the [talking points on the "dark store" issue](#) or additional information on MTA's [website](#). A vote by the full House is expected as early as next week.

Full PILT would continue under bills

Townships could continue receiving full payments in lieu of taxes (PILT) and have more input in state land purchases within their boundaries under SBs [39](#) and [40](#). The two bills, sponsored by Sen. Tom Casperson (R-Wells Twp.) and Sen. Darwin Booher (R-Osceola Twp.), were discussed this week by the Senate Natural Resources Committee. Together, the bills outline the circumstances under which the Department of Natural Resources (DNR) could buy more land in northern Michigan, including the requirement of full PILT. MTA strongly supports both bills and has worked to ensure that the bills continue full funding of PILT. MTA staff also testified in strong support of the local approval requirement for state land purchases if at least 33 percent of the local unit's land is made up of state, federal or commercial forest land. Townships and other local units could still engage with the DNR in other state land purchases, and possible uses of the Land Exchange Fund would be expanded to include aquatic invasive species management. Both bills await action by the committee before being considered by the full Senate.

* [Consumers Energy](#)

* [Fahey Schultz Burzych Rhodes PLC](#)

* [Foster, Swift, Collins & Smith, P.C.](#)

* [ITC Holdings Corp.](#)

* [Mika Meyers, PLC](#)

* [Ted Hartleb Agency](#)

* [Wightman & Associates, Inc.](#)



New federal overtime rule may impact township budgets



Townships will be required to pay certain employees overtime, under a new federal rule finalized by the U.S. Department of Labor. In 2014, President Obama directed the U.S. Secretary of Labor to update the overtime regulations to reflect the original intent of the Fair Labor Standards Act, and to simplify and modernize the rules so they're easier for workers and employers to understand and apply. On May 18, the department issued a final rule that can impact township budgets and pay for township workers. The final rule will:

- Raise the salary threshold indicating eligibility from \$455/week to \$913 (\$47,476 per year).
- Automatically update the salary threshold every three years, based on wage growth over time.
- Set the total annual compensation requirement for highly compensated employees subject to a minimal duties test to the annual equivalent of the 90th percentile of full-time salaried workers nationally (\$134,004).
- Strengthen overtime protections for salaried workers already entitled to overtime.

The final rule takes effect Dec. 1, 2016, giving townships more than six months to prepare. The new rule does not make any changes to the duties test for executive, administrative and professional employees. Learn more on MTA's ["Employee Wage and Hour Information"](#) and ["Employment Issues"](#) Web pages. You can also visit www.dol.gov/featured/overtime.

Energy project financing bills signed into law

Townships will soon have a financing option that would save more money on energy-conserving projects under [PAs 119-123](#). Once the MTA-supported acts, formerly HBs 4990-4993 sponsored by Rep. Al Pscholka (R-Lincoln Chtr. Twp.), take effect Aug. 17, they will allow townships to finance energy conservation improvements with lease-purchase agreements. The interest on these agreements is tax-exempt, resulting in a cost savings that could encourage more townships to take on such projects.

Certified mail notification for certain exemptions not required under bill

A bill passed by the House would allow townships to be notified by methods other than certified mail when the State Tax Commission exempts air or water pollution control facilities from real and personal property taxes. [HB 5401](#), sponsored by Rep. Jeff Farrington (R-Utica), is being monitored by



MTA and would require that pollution control tax exemption applications also contain an affidavit from a licensed professional environmental engineer confirming that the facility meets the requirements for the exemption. The bill would also delete a requirement that written notification to the local assessor and the Department of Treasury be made by certified mail only. The bill now moves to the Senate for consideration.

State emergency fund could increase

Michigan's emergency fund could more than double under a bill passed by the Senate this week. [SB 914](#), sponsored by Sen. Mike Nofs (R-Battle Creek), would require funds to be appropriated to the state's Disaster and Emergency Contingency Fund with a \$10 million cap--an increase from the current cap of \$4.5 million. The money would pay for state and local costs in case of a state or federal disaster. MTA will continue to monitor this bill as it moves to the House for consideration.

Infrastructure fund created under bill

The new "Michigan Infrastructure Fund" would be created under [SB 883](#), which was passed by the Senate this week. The MTA-monitored bill, sponsored by Sen. Dave Hildenbrand (R-Lowell Chtr. Twp.), would not allocate any money to the fund but would allow money or other assets from any source to be deposited into it. Money in the fund could only be spent as provided in an appropriation act to offset future infrastructure expenses. The bill now moves to the House for consideration.

Private college campus police could patrol certain off-campus areas



Township police departments could empower a private college security officer to act as a law enforcement officer off of campus property under [HB 4588](#). The bill, sponsored by Rep. Kurt Heise (R-Plymouth Chtr. Twp.), expands the law that already allows public college safety officers to use police powers on areas adjacent to campus. HB 4588 extends similar authority to private college safety officers but clarifies that unless sworn and fully empowered by the chief of police of a city, village or township or deputized by a county sheriff, they can only make arrests on campus property. MTA will continue monitoring this bill as it moves to the Senate for consideration.

Federal update for week of May 16

Check out the National Association of Towns and Townships' [e-newsletter](#) for an update of federal actions impacting townships.

Additional news you can use

Register now for MTA's *UP North Summit*

There's still time to be a part of MTA's *UP North Summit*--the township event of the summer. Coming to the Island Resort & Conference Center on June 8-9, this two-day event is jam-packed with valuable education, networking opportunities and a mini-expo, all in one location! But hurry, discounted [lodging](#) is only available until May 23 and early-bird registration rates end May 24. Download a registration form [here](#) or register [online](#) now.

DNR wants input on outdoor activities, invasive species management plan

The Michigan Department of Natural Resources (DNR) is seeking opinions on several areas of interest to local officials:

- A draft of the [Terrestrial Invasive Species State Management Plan](#) is available for review through June 24. Comments can be emailed to wheelerr5@michigan.gov with "TIS SMP" in the subject line or mailed to Ryan Wheeler, DNR Wildlife and Forest Resources Division, P.O. Box 30444, Lansing, MI 48909-7944.
- The DNR is also looking for responses to a [survey](#) on outdoor activities in Michigan and the programs and services provided by the department.

Elections certification courses coming

The state Bureau of Elections is holding three full-day, regional trainings in June as part of its New Election Officials' Accreditation Certification Program. Attendees will be accredited by completing the in-person class and online components as well as passing the online exam. Visit the Secretary of State [eLearning](#) center to register and learn more.