

Michigan Township **INSIGHTS**

Weekly News and Information from the Michigan Townships Association | June 10, 2016

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LEGISLATIVE UPDATE

'Dark stores' bill clears the House

The fight to restore fairness in Michigan's property tax system took a major step forward this week. An overwhelming, bipartisan majority of the House passed [HB 5578](#), sponsored by Rep. David Maturen (R-Brady Twp.), in an effort to stop the "dark stores"



assessing theory by putting sound appraisal standards into law. Both Rep. Maturen and Rep. Jeff Farrington (R-Utica) spoke in the bill's support on the House floor, and the bill passed in a 97-11 vote. The 11 representatives voting no were: Rep. John Bizon (R-Battle Creek), Rep. Mike Callton (R-Nashville), Rep. Laura Cox (R-Livonia), Rep. Gary Glenn (R-Larkin Twp.), Rep. Ken Goike (R-Ray Twp.), Rep. Joe Graves (R-Argentine Twp.), Rep. Tom Leonard (R-Dewitt Chtr. Twp.), Rep. Lisa Lyons (R-Bowne Twp.), Rep. Jason Sheppard (R-Bedford Twp.), Rep. Pat Somerville (R-Huron Chtr. Twp.), and Rep. Rob VerHeulen (R-Walker).

HB 5578 is meant to end the practice of valuing big box retailers solely based on a comparable sales approach. Between a lack of comparable properties and the extensive use of deed restrictions to limit competition, some retailers are seeing their valuations--and taxes--slashed by 50 to 70 percent. HB 5578 would close this loophole by requiring the Michigan Tax Tribunal to consider all nationally accepted valuation approaches (sales, cost and income) to determine a property's "highest and best use." "This issue is about fairness, not politics--as the bipartisan support shown by the House indicates," MTA Director of Government Relations Judy Allen said. "HB 5578 (H-2) represents a narrowly tailored and practical approach. Adopting uniform and proven appraisal principles will result in more fair, transparent resolutions to assessment disputes before the MTT and tax equality across the board for all taxpayers."

MTA QUICK LINKS

[Members-only Website](#)
[Training](#)
[Answer Center](#)
[Advocacy](#)
[MTA Store](#)
[Township Governance Academy](#)
[Allied Service Providers](#)
[Classified Ads](#)
[NATaT](#)
[MTA Webcasts](#)
[MTA Publications Catalog](#)

UPCOMING MTA EVENTS

[**Cemeteries: Challenges & Solutions](#)

ALLIED SERVICE PROVIDERS



* [Asphalt Materials, Inc.](#)

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

* [Consumers Energy](#)

* [Fahey, Schultz Burzych Rhodes, P.C.](#)

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

MTA thanks all MTA members who contacted their state representative in support of the bill. Please take the opportunity to thank your representative if they supported the passage of HB 5578. **Your advocacy is still critical as the bill moves to the state Senate for consideration.** Please take every opportunity this summer to talk directly with your state senator about the importance of this legislation and urge them to support HB 5578 and its swift consideration in the Senate.

[* ITC Holdings Corp.](#)

[* Mika Meyers, PLC](#)

[* Ted Hartleb Agency](#)

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

Sportsmen's clubs would get property tax exemption under bill

Townships would lose already-dwindling property tax revenue under a bill that would give some sportsmen's clubs a property tax exemption. MTA testified in opposition to [SB 570](#), sponsored by Sen. Peter MacGregor (R-Cannon Twp.), before it was reported by the Senate Finance Committee this week. If enacted, the bill would provide a property tax exemption for property owned and occupied by a qualified sportsmen's club and used for the club's primary purposes. To qualify, a club must meet certain conditions, including offering public education and making its property available to the public for uses consistent with its primary purpose. However, based on some of the testimony in support of the bill, these clubs allow limited public use (one day a week or limited number of days a year), limit the public use of the property (i.e., access to only 30 percent of the property), and charge the public a higher fee--and are requesting a 100 percent property tax exemption. This potential exemption would mean yet another decrease in already-tight local budgets. The bill will next be considered by the full Senate.



State budget finalized



The 2016-17 state budget received the Legislature's stamp of approval this week and will be sent to Gov. Rick Snyder for signature. The final version includes the estimated 1.6 percent increase over current year funding to constitutional revenue sharing and preservation of City, Village and Township (CVT) revenue sharing for 134 townships at their 2015-16 levels. Other items that impact townships are full funding of payments in lieu of taxes, \$5 million for election equipment replacement, a \$1 million increase for firefighter training grants, a \$3.4 million increase for fire

protection grants, and \$3 million to fund the firefighter cancer presumption fund.

Push for more commercial forests to become qualified forests sent to governor

More forests could eventually return to township property tax rolls once Gov. Rick Snyder signs a package of Senate bills. SBs [651](#), [652](#) and [653](#), sponsored by Sen. Darwin Booher (R-Osceola Twp.) and Sen. Tom Casperson (R-Wells Twp.), received final passage this week. Once enacted, they will allow forestland to move from the commercial forest program to the qualified forest program, while gradually paying the associated tax increase over a five-year phase-in period. The bills were introduced in an effort to encourage more commercial forests, which aren't subject to property taxes, to become qualified forests, which pay property taxes except for the 18-mill school tax. The other difference between the two types of forests is commercial forests must allow public access, while qualified forests don't have such a requirement. For a commercial forest to qualify, the owner must have owned the property

since no later than Sept. 1, 2016, and the deadline for transfer would be Sept. 1, 2021.

Principal residence, budget stabilization fund bills signed into law

Gov. Rick Snyder signed two bills impacting townships this week. [SB 606](#), sponsored by Sen. Mike Shirkey (R-Clark Lake), is now PA 144 of 2016, and [SB 569](#), sponsored by Sen. Mike Nofs (R-Battle Creek), is now PA 169 of 2016. PA 144 allows members of the U.S. Armed Forces on active duty to continue receiving a principal residence exemption, as well as while living in a nursing home. PA 169 allows local units of government to place up to 20 percent of its most recent general fund budget in a budget stabilization fund--up from the previous 15 percent limit.

False reporting of public threat could be reimbursable offense for local units

Townships will soon be reimbursed for the cost of responding to a falsely reported public threat. This change made under [HB 5567](#), sponsored by Rep. David Maturen (R-Brady Twp.), received final passage this week. The bill adds false reporting of a public threat to the list of offenses in which the



convicted may be ordered to reimburse the state or local government for expenses incurred responding to the offense. HB 5567 is part of a three-bill package in response to the Kalamazoo shooting rampage earlier this year. [HB 5442](#), sponsored by Rep. Brandt Iden (R-Oshtemo Chtr. Twp.), would create a notification system to be used during emergencies, including active shooter situations, and would make it a felony to falsely report such an event. [SB 976](#), sponsored by Sen. Mike Nofs (R-Battle Creek), would make the false reporting of a public threat a Class F felony with a maximum sentence of four years in prison.

Deadline extended for obsolete property rehab districts

Townships will have another 10 years to create obsolete property rehabilitation districts under a bill that received final passage this week. [SB 673](#), sponsored by Sen. Ken Horn (R-Frankenmuth) and supported by MTA, will be sent to Gov. Rick Snyder for signature. Currently, local units have until Dec. 31, 2016, to set up such a district in commercial areas, allowing property owners to apply to pay an obsolete properties tax instead of property tax. Townships use the designation to help revitalize blighted areas and attract economic development. Under SB 673, the sunset is extended to Dec. 31, 2026.

Deadline extended for multi-line phone 911 upgrade



More time will soon be allowed for compliance with a rule aimed at better pinpointing the location of a 911 call. [SB 878](#), sponsored by Sen. Mike Shirkey (R-Clark Lake), received final passage this week. Once enacted, it will extend the deadline by three years to Dec. 31, 2019, for multi-line phone systems to be upgraded in addressed buildings with more than 7,000 feet of occupied space. The rule is intended to help 911 operators better direct first responders to a specific area within the building where the caller is located.

Medical marijuana bills on hold until fall

A package of medical marijuana reform bills will most likely be considered by the Senate in September. [HB 4209](#), sponsored by Rep. Mike Callton (R-Nashville), was put on hold for the summer, along with [HB 4827](#), sponsored by Rep. Clint Kesto (R-Commerce Chtr. Twp.), and [HB 4210](#), sponsored by Rep. Lisa Posthumus Lyons (R-Bowne Twp.). The Senate is proposing changes to the House-passed package, and MTA is working with legislative staff to resolve township concerns.

Federal update for week of June 6

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

Additional news you can use

Computerized assessment rolls now permitted

A law allowing the use of a computerized database system instead of a printed assessment roll is now in effect. A recent State Tax Commission (STC) [bulletin](#) reminds assessors that this is only permitted if the assessor certifies that the proposed system meets state requirements. Local units must submit [Form 5446](#) in order to request the use of a computerized assessment roll. This must be completed and received by the STC by Oct. 31 in the year before the year in which the computerized assessment roll will be used.

Historical record grants available

Grants are available to help pay for projects that promote access to America's historical records. The National Historical Publications and Records Commission is accepting applications for up to three grants between \$50,000 and \$150,000. Projects should encourage public engagement with historical records and could include developing new tools to allow people to engage online. Draft applications are due July 26, while final applications are due Oct. 6. Full details are available [online](#).