

# Michigan Township INSIGHTS

Weekly News and Information from the Michigan Townships Association | Sept. 23, 2016

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## LEGISLATIVE UPDATE

### Election dates would move under bills

Elections would be held in March and June instead of May and August under a package of bills discussed by the House Elections Committee this week. [HBs 5744-5747](#), sponsored by Rep. Aric Nesbitt (R-Porter Twp.), would move primary elections from August to June, while the May regular election would be moved to March. The November election would remain unchanged. Township clerks would receive nominating petitions up until 4 p.m. of the 15th Tuesday before the June election if the bills were enacted. While the bills wouldn't have a fiscal impact on townships or other local units, there could be a cost in informing citizens of the change. MTA is monitoring the bills and will update members as the bills are considered.



### Medical marijuana bills signed

A package of bills creating a regulatory framework for Michigan's medical marijuana system was signed into law this week. [HB 4209](#), sponsored by Rep. Mike Callton (R-Nashville); [HB 4827](#), sponsored by Rep. Clint Kesto (R-Commerce Chtr. Twp.); and [HB 4210](#), sponsored by Rep. Lisa Posthumus Lyons (R-Bowne Twp.), are now PAs 281, 282 and 283 of 2016. PA 281 allows townships and other local units to determine whether any medical marijuana facilities can be located in their jurisdiction, as well as the number of facilities, if they choose to limit. No action is required for townships to keep such facilities out of their community. Townships could further regulate zoning, noise, lighting, setback requirements and other aspects of medical marijuana facilities. Additionally, a township may charge an annual nonrefundable fee of up to \$5,000 to help with administrative and enforcement costs and would receive a portion of a new 3 percent tax if it has a facility. The new laws take effect on Dec. 20, but no application may be filed until 360 days after that date (Dec. 15, 2017) as the Medical Marijuana Licensing

### 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

\*\*[MTA On the Road Regional Meetings](#)\*\*  
\*\*[Emerging Issues in Emergency Services](#)\*\*  
\*\*[Treasurer's Guide To Tax Collecting](#)\*\*  
\*\*[Township Finances](#)\*\*

### ALLIED SERVICE PROVIDERS





Board must be created and members appointed, along with the promulgation of rules to effectively implement and administer the acts.

## TIF changes moving through House, Senate



Both the House and Senate are considering changes that would overhaul the capture, reporting, transparency and penalty requirements for tax increment finance (TIF) authorities. [SB 1026](#), sponsored by Sen. Ken Horn (R-Frankenmuth), awaits a final vote in the Senate, while [HBs 5851-5856](#), under lead sponsor Rep. Lee Chatfield (R-Levering), was reported by the House Local Government Committee. MTA took a neutral position on SB 1026 and testified in opposition to the House package. The legislation would reformat current TIF laws—both would eliminate two existing TIFs that are no

longer being utilized, and the House package amends brownfield redevelopment authorities. While the Senate bill and House bills are not identical, they both establish reporting requirements for TIF authorities, such as maintaining a website with access to specific records and documents, in an effort to increase transparency and accountability, and penalties for failure to comply. The House bills prohibit a TIF authority from capturing any revenue in excess of amounts needed to pay bonded indebtedness or other obligations for the period it is not in compliance. Under SB 1026, a TIF authority that is not in compliance for more than two consecutive years would be unable to capture TIF revenue for anything other than paying its outstanding bonds or other obligations. A key difference between the House and Senate bills is in the capture of millages. Under HBs 5851-5856, TIF authorities would be prohibited from capturing revenue from new special millages approved after Dec. 31, 2016. This would also apply to any existing millages that are increased, decreased or combined in any way. Some of MTA's concerns have been addressed in the substitute bills that moved this week; however, other concerns remain. We are working with lawmakers to clarify all bills and seek amendments.

## Billboard bill usurps local zoning

The Senate Transportation Committee reported legislation that would further erode township control over school property. [SB 953](#), introduced by Sen. Tom Casperson (R-Wells Twp.), would essentially unzone school property and potentially allow any commercial use, including billboards, to locate there without township approval. The bill amends the Highway Advertising Act by defining a business area as an adjacent area that is zoned by a state or local unit of government as part of a comprehensive land development project or planned unit development in which commercial or industrial activity is allowed. It further classifies school property as an unzoned commercial or industrial area—allowing billboards and potentially other commercial activities to take place on school property along highways. MTA strongly opposed the legislation, and while the substitute bill reported out of committee is a slight improvement, it pits the interests of school districts against a communities' master planning effort. The intent behind the legislation is to allow school districts to receive financial benefit for the placement of billboards on school property—even when billboards or other commercial development do not comply with local zoning. The bill now moves to the Senate floor, where it could be taken up for consideration upon the Senate's return in mid-October.

\* [Asphalt Materials, Inc.](#)

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

\* [Consumers Energy](#)

\* [Fahey Schultz Burzych Rhodes PLC](#)

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

\* [ITC Holdings Corp.](#)

\* [Mika Meyers, PLC](#)





## Sportsmen's clubs would get property tax exemption

Township property tax revenue would take yet another hit if the Legislature approves giving some sportsmen's clubs a property tax exemption. [SB 570](#), sponsored by Sen. Peter MacGregor (R-Cannon Twp.), was passed by the Senate this week despite MTA's opposition. If enacted, the bill would provide a property tax exemption for property owned and occupied by

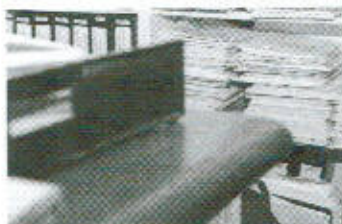


a qualified sportsmen's club and used for the club's primary purposes. To qualify, a club must offer public education, make its property available to the public for uses consistent with its primary purpose, and meet other conditions outlined in the bill. However, because of the vague language, clubs that allow the public to use their facilities for a limited number of days a year, open just a portion of their property to the public or charge the public a higher fee could still receive a 100 percent property tax exemption. This potential exemption would mean townships would lose already-dwindling property tax revenue. The bill now moves to the House for consideration.

## Full PILT would continue under bills

The state would continue providing full payments in lieu of taxes (PILT) and give townships more input on state land purchases within their boundaries under two bills reported by the Senate Natural Resources Committee. [SBs 39](#) and [40](#), sponsored by Sen. Tom Casperson (R-Wells Twp.) and Sen. Darwin Booher (R-Osceola Twp.), are both strongly supported by MTA and will next be considered by the full Senate. 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 payments—something MTA has worked to ensure remains in the legislation. Under the bills, if PILT is not paid in full, a cap on land purchases would go into effect north of the Mason-Arenac County line. However, a change adopted in committee would allow land transaction agreements signed by private landowners within 60 days would be honored even if the cap is in place. Additionally, local approval would be required 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 for the Land Exchange Fund would be expanded to include aquatic invasive species management. MTA will continue to provide updates as these bills are addressed by the Legislature.

## No lawsuits would be allowed against person who filed FOIA request



Anyone who files a Freedom of Information Act (FOIA) request with a township could not be sued by the board—even in cases of harassment or unpaid fees—under [HB 5826](#). The bill, sponsored by Rep. Klint Kesto (R-Commerce Chtr. Twp.), was passed by the House this week and moves to the Senate for consideration. Under the

bill, a public body that receives a request for information could not bring a civil action against the requesting person, without exception. The legislation is in response to a lawsuit initiated after a county received a FOIA request for sensitive records from a local newspaper. Due to a conflict between FOIA and the Employee Right to Know Act, as well as the time-sensitive nature, the county filed action against the newspaper. MTA opposes the bill due to its broad language and is working with lawmakers to narrow the scope and for possible legislation to allow action in cases of unpaid fees and harassment.

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## Community board members could receive pay

Townships could pay community center board members under a bill discussed by the House Local Government Committee this week. The committee did not vote on [HB 5493](#), sponsored by Rep. John Kivela (D-Marquette), but could do so at a later date. Currently, members of community boards of directors in townships and villages under 10,000 in population are prohibited from receiving compensation. HB 5493 allows these local units to provide compensation—as well as the level of compensation—but would not mandate them to do so. MTA testified in support of the bill, saying that many smaller townships have difficulties finding residents to serve on municipal boards and committees, and HB 5493 would allow compensation similar to other local commissions and boards. The ability to offer compensation could encourage more active participation.

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## Member input needed for MTA Policy Platform

Do you have a suggestion for MTA's [Legislative Policy Platform](#)? MTA is accepting submissions now for the 2017 Policy Platform. Members have until Nov. 14 to submit suggestions and input to be considered by the MTA Legislative Policy and Resolutions Committee. The policy platform will be presented for membership approval during the 2017 MTA Annual Meeting on April 13, held in conjunction with the 64th Annual MTA Educational Conference & Expo in Lansing. Contact [legislation@michigantownships.org](mailto:legislation@michigantownships.org) or (517) 321-6467 with any proposed policies.

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## Federal update for week of Sept. 19

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

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## Additional news you can use

### Still time to join *MTA On the Road*

MTA's [On The Road](#) regional meeting series kicks off next week. Don't delay, [register](#) today! Join us at one of 14 locations statewide. Weigh in on Michigan's local government finance system, get the inside scoop on legislation impacting townships and choose from afternoon breakouts examining financial oversight, internal controls and frequently asked member questions. Download a registration form [here](#) or register online [now](#).