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BILL ANALYSIS

Senate Fiscal Agency

Lansing, Michigan 48909

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Senate Bill 939

Sponsor: Senator Harmon Cropsey

Committee: Local Government and Veterans

Date Completed: 8-8-88

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SUMMARY OF SENATE BILL 939 as introduced 6-29-88:

The bill would amend Chapter 16 of the Revised Statutes of 1846, which specifies the powers and duties of townships and provides for the election and duties of township officers, to:

- Repeal and re-enact in Chapter 16 certain laws pertaining to: proceedings by or against a township in its corporate capacity, the supervisor as an agent for the township, the supervisor administering an oath, boundary lines, division of a township, annexation, transfer of funds, group insurance and retirement programs for township officers and employees, and the appropriation of funds to advertise and promote the agricultural, educational, and industrial advantages of the township or State.
- Provide that a person who refused to leave a meeting of the township electors, after being ordered to do so, would be guilty of a misdemeanor. The fine for this violation would be raised from a maximum of \$20 to a maximum of \$50.
- Revise procedures under which electors can call a special township meeting.
- Delete provisions that limit the amount of funds used to cover township expenses that township electors can raise by taxes in any year.
- Require a "majority" vote of either the township board or electors, instead of merely specifying a vote or voice vote.
- Require, in certain cases, that township electors be "registered" and delete current references to "qualified" electors.
- Specify procedures for determining salaries of township officials.
- Require township clerks and boards to prepare various accounting reports in accordance with the requirements of the Uniform Budgeting and Accounting Act.
- Delete provisions that restrict to two per township the number of assessors that may be appointed, and require the township board to provide for the appointment of properly certified assessors.
- Repeal a number of Acts including those pertaining to the: restraint of cattle, swine, and sheep; regulation of persons on bridges; penalties for breach of an order or bylaw; publication of bylaws; terms of office for township officials elected at special elections; special meetings for filling vacancies of township officers; supervisor's attendance at meetings and supervisor's reports to the board; raising of a quorum; annual

meeting and audit of treasurer's accounts; duties of the township board clerk; emergency expenses; township polling places in cities; and, publication of financial statements.

Special Township Meeting

Currently, a special township meeting of the electors must be held when ordered by the township board upon a written request signed by 12 electors of the township. The bill would require that a special meeting be held when ordered by the township board or when requested in writing and signed by 12 township electors or 1% of the registered electors in the township, whichever is greater.

Accounting

The bill specifies that the township clerk would be responsible for the detailed accounting records of the township utilizing the uniform chart of accounts as prescribed by the State Treasurer. The clerk would be required to prepare and maintain the journals and ledgers needed to reflect the assets, liabilities, fund equities, revenues, and expenditures for each of the township's funds. The township treasurer currently is required to keep a book of receipts and expenditures of township money. Under the bill, that book would have to meet the uniform accounting requirements of the State Treasurer, and it would have to reflect the amount of money belonging to each of the township's funds.

The township board would be required to establish a uniform chart of accounts and reports and provide annual financial reports and audits in accordance with the Uniform Budgeting and Accounting Act.

Audits

The bill would delete current provisions on audits and require that in addition to other business matters that could be acted on at a regular township board meeting, the board would be required to approve all claims against the township and authorize payment of allowed claims. All accounts approved by the board would have to be filed and preserved by the township clerk. The authorized payments would have to be paid by the treasurer, on the order of the board, signed by the clerk.

Constables

Constables currently are required to attend circuit court sessions for their respective counties when notified by the

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sheriff. The bill would require that the constables be paid by their respective counties.

Salaries for Township Officials

Officers of the township board would be entitled to the salary determined by resolution adopted by the township board at least 30 days prior to the annual meeting of the township electors. The bill specifies that the resolution would have to establish the effective date of the salary, which would have to be during the next fiscal year. The electors at the annual meeting could alter the amount of salary fixed by the resolution, which they currently are able to do. If the electors failed to act on the salary resolution, the officers would be entitled to the salary set in the resolution.

A trustee could receive, in addition to the annual salary for his or her service to the township, a sum for each meeting of the board that the trustee actually attended, as established by the township board. The supervisor, clerk, and treasurer could not receive additional compensation for attending township board meetings. Board members could be reimbursed for reasonable expenses actually incurred on behalf of the township. An official appointed to fill a vacancy of an elected township office would be entitled to the same compensation as established for the official who previously held that office. The salary of an elected township official or an official appointed to fill a vacancy could not be decreased during the official's term of office unless the responsibilities and requirements of that office were diminished and the official consented in writing to the salary reduction. Notwithstanding these provisions, if a township in setting a township supervisor's salary had designated a portion of that salary to be paid the supervisor for directly performing the property tax assessing function in the township and the supervisor failed to perform that function, the supervisor's salary could be reduced by that portion designated for performing the assessment. The bill specifies that in no event could that portion of a supervisor's salary designated for nonassessment functions be decreased during the supervisor's term of office without the supervisor's written consent.

Public Meeting

Under the bill, a person could not be excluded from a public meeting except due to a breach of the peace actually committed at the meeting. Any person who refused to leave a meeting, after being ordered to do so, would be guilty of a misdemeanor, punishable by a fine of not more than \$50. The current fine is a maximum of \$20.

MCL 41.2 et al.

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bill would have no fiscal impact on State government and an indeterminate fiscal impact on local government.

There are various provisions in the bill that could have a fiscal impact on local government, but the extent of the fiscal impact is indeterminant. They are as follows:

- Section 3 would delete the limits on the amount of tax that may be raised in a township based on assessed valuation. This could allow townships to raise more tax revenue.
- Section 61 would delete the limit on the number of assessors for the township to no more than two. If a

township wanted to hire additional assessors, it would incur additional expenses.

- Section 65 would add the requirement that townships utilize the uniform chart of accounts prescribed by the State Treasurer. This provision could cause some townships to undergo computer program changes at some expense if they aren't currently using the uniform chart of accounts.
- Section 84 would add the requirement that constables attending sessions of the circuit court be paid by the county. This requirement could have an impact on the township and the county if current practice is to have the township pay for the constables.
- Section 101 would raise the fine for refusing to withdraw from a public meeting after breaching the peace from \$20 maximum to \$50 maximum. This increase in the fine could raise an indeterminate amount of additional revenue.
- Section 2 would repeal an act which provides for penalties not to exceed \$10 for breach of a township order or bylaw. If any townships are assessing these penalties, they would lose this revenue.
- Section 95 would change township board salaries from a salary fixed by the electors at the annual town meeting to a salary determined by the township board which could be altered by the electors at the subsequent annual meeting of the electors. This provision could result in salary increases or decreases.
This section also would allow a trustee to receive a sum for each meeting of the board attended by the trustee, in addition to the trustees' annual salary. The trustee could also be reimbursed for reasonable expenses. The sums allowed would be established by the township board. These sums could be an additional expense to the township if the township chose to pay them.

Fiscal Analyst: J. Schultz

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.