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BILL ANALYSIS

Senate Fiscal Agency

Lansing, Michigan 48909

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Senate Bill 944

Sponsor: Senator Harmon Cropsey

Committee: Local Government and Veterans

Date Completed: 8-8-88

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SUMMARY OF SENATE BILL 944 as introduced 6-29-88:

The bill would repeal nine acts pertaining to the right of townships to make public improvements and provide services, and incorporate their provisions, with some changes, into the Township and Village Public Improvement and Public Service Act, which authorizes townships and villages to make public improvements such as the construction of streets and bridges and provide public services such as police protection and garbage collection. Specifically, the acts that would be repealed and the amendments to the provisions that would subsequently be incorporated into the Township and Village Public Improvement and Public Service Act are:

Public Act 381 of 1927 (MCL 41.241-41.247) – The Act allows townships to borrow money and issue bonds to repay the borrowing, to acquire a site for, erect, and furnish a town hall, fire station or library; purchase and furnish a public building; or make additions and improvements to existing sites and public buildings. Before the money may be borrowed, however, an application signed by at least 12 registered electors must be filed with the township board and the maximum amount of the borrowing is limited to 5% of the assessed valuation of the township. Under the bill, the application would have to be signed by at least 20% of the voters and the maximum amount of the borrowing would be 10% of the township's assessed valuation. The Act also permits townships, with the vote of the electorate, to levy a tax of up to 1/20 of 1% of the township's assessed valuation and use the money for the maintenance, repair, and upkeep of public buildings. The bill would increase the amount of the tax to one-tenth of 1% of the assessed valuation.

Public Act 45 of 1941 (MCL 41.221) – The Act allows townships to continue to use for township purposes any building located on township-owned land which subsequent to the erection of the building became part of an incorporated village or city, and specifies that use of the building for township purposes would be as valid as if the building were within the corporate limits of the township.

Public Act 286 of 1923 (MCL 41.481-41.482) – The Act allows townships abutting navigable waters to acquire, construct, and maintain wharves, piers, docks, and landing places for public use, and specifies that townships may acquire land and construct these improvements according to the same proceedings that county road commissioners must take to acquire land to construct and maintain highways.

Public Act 123 of 1917 (MCL 41.491) – The Act allows township boards and village councils to appropriate money to establish township and village scales to weigh farm produce and for other purposes; places the maintenance, management, and control of the scales under the direction of the township board or village council; and specifies that the expenses connected with the scales are to be paid in the same manner as other village and township expenses.

Public Act 41 of 1955 (MCL 41.671-41.673) – The Act allows a township board to appropriate money from its contingent fund or general fund to control weeds in inland public lakes situated within the township and to enter into agreements with other townships to control weeds in public lakes located in more than one township, and prohibits the use of pesticides for weed control in inland lakes without the consent of the Department of Natural Resources.

Public Act 195 of 1959 (MCL 41.681) – The Act allows township boards to use township funds and other specially created funds to provide for the spraying of trees within its jurisdiction to prevent Dutch Elm disease and other destructive diseases and insect pests. The bill would apply the spraying to shrubs as well as trees.

The bill also would repeal, but would not re-enact, Public Act 157 of 1867, Public Act 130 of 1915, and Public Act 51 of 1867.

Public Act 157 of 1867 (MCL 41.231-41.232) – The Act allows townships, upon a majority vote of the qualified electors, to levy a tax of up to 1% of the assessed valuation of taxable property in the township for the purpose of constructing public buildings. If, however, the township board considers it unwise to construct the building for which the tax was levied, the electors may vote on whether the tax should be used to redeem township highway bonds or for township highway construction.

Public Act 130 of 1915 (MCL 41.601) – The Act states that whenever a township officer is required by the State to provide a bond, the township board may authorize the officer to procure the bond from any authorized surety company and may pay the cost of the bond from the township's contingent fund.

Public Act 51 of 1867 (MCL 41.611-41.617) – The Act specifies that whenever the sureties in bonds given by a township treasurer to the township or to the county treasurer become insolvent or insufficient or are removed from the county, the township treasurer must provide a

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new bond. If a township treasurer neglects or refuses to provide a new bond, he or she must be replaced by the township board.

MCL 41.411 et al.

Legislative Analyst: L. Burghardt

FISCAL IMPACT

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

The provision in the bill that would allow the township to borrow a maximum of 10% of the assessed valuation of the township as compared to the current bill that allows a maximum of 5% of the assessed valuation of the township could cost the township more for debt service if the township chose to borrow up to the new limit.

The provision that would allow, with the vote of the electorate, a tax levy of up to one-tenth of 1% of the township's assessed valuation for the maintenance, repair, and upkeep of public buildings could generate twice the tax revenue provided by the current law which allows a tax levy of up to 1/20 of 1% of the township's assessed valuation if a township chose to increase this tax levy.

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.