
Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 539 (as introduced 4-27-99)
Sponsor: Senator Bill Bullard, Jr.
Committee: Local, Urban and State Affairs

Date Completed: 9-24-99

CONTENT

The bill would amend Chapter 16 of the Revised Statutes of 1846, which provides for the powers and duties of townships, to allow a township to establish a cafeteria plan, authorized under Section 125 of the Internal Revenue Code, for its elected or appointed officers and employees, any classes of elected or appointed officers and employees, and dependents of the officers and employees.

The term "cafeteria plan" would be defined as it is in the Internal Revenue Code, i.e., a written plan under which all participants are employees, and the participants may choose among two or more benefits consisting of cash and qualified benefits. The term does not include any plan that provides for deferred compensation.

MCL 41.110b

Legislative Analyst: N. Nagata

FISCAL IMPACT

Townships would be able to establish a cafeteria plan to provide employee benefits, which could minimally reduce benefit costs. This bill would have no State fiscal impact.

Fiscal Analyst: R. Ross

S9900\539sa

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.