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Senate Bill 725 (as enrolled)  
Sponsor: Senator Wayne Kuipers  
Committee: Local, Urban and State Affairs

Date Completed: 9-30-03

### **RATIONALE**

Some people believe that charter townships are burdened by a statutory deadline regarding the adoption of a budget. The Charter Township Act requires a charter township to adopt a budget and make appropriations at least 60 days before the start of its next fiscal year. It has been pointed out that all of the information needed to make sound decisions on a budget might not be available before the 60-day deadline. It has been suggested that the deadline be eliminated.

### **CONTENT**

The bill would amend the Charter Township Act to eliminate a provision that requires a charter township board, at least 60 days before the start of its next fiscal year, to adopt a budget, appropriate money needed for township purposes, and provide for a levy of property taxes. Under the bill, the board still would be required to adopt a budget, etc., before its next fiscal year began.

The bill provides that if a charter township operated on a calendar year budget cycle, a public hearing on its proposed budget would have to be held by December 15, and adopted by December 31, in the year preceding the next calendar year covered by the budget.

MCL 42.27

### **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

### **Supporting Argument**

It is impractical to require a charter township to make final budget decisions at least 60 days before the start of its next fiscal year. Much that can happen between the deadline and 60 days later might affect how a charter township board should structure its budget. In fact, the Michigan Townships Association reports that some charter townships have been forced to adopt a budget before knowing the amount of revenue sharing they were to receive from the State. Cities, villages, and general law townships are not subject to the 60-day requirement. By giving charter townships the flexibility that other local units have, the bill would enable charter townships to make informed decisions about their budgets.

Legislative Analyst: George Towne

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: David Zin

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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.