

Legislative Analysis



ALLOW LOCAL UNITS TO SET COMPENSATION FOR JOINT ADMINISTRATIVE BOARD MEMBERS

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House Bill 5529 as introduced

Sponsor: Rep. Rick Jones

Committee: Local Government and Urban Policy

First Analysis (5-15-06)

BRIEF SUMMARY: The bill would allow local governments to set the compensation rate for members to attend meetings of a joint police administrative board, fire administrative board, or police and fire administrative board.

FISCAL IMPACT: The bill would have no impact on state government but an indeterminate impact on local governments since the bill would allow local governing bodies the authority to establish compensation rates for board members attending meetings.

THE APPARENT PROBLEM:

Current law limits how much a local government can compensate members of a joint police administrative board, fire administrative board, or police and fire administrative board for attending board meetings to no more than \$30 per meeting. Some township officials argue that this amount is too low to attract knowledgeable people to serve on the board, especially considering the increases in gas prices and cost of living since the cap was placed in statute. Also, members of other governmental boards and committees are generally compensated at higher rates. Legislation has been offered to remove the \$30 cap and allow local governments to determine a suitable compensation rate.

THE CONTENT OF THE BILL:

Under Public Act 33 of 1951, the governing bodies of two or more contiguous townships, villages, or qualified cities may jointly create a joint police administrative board, fire administrative board, or police and fire administrative board. Currently, a member of a joint administrative board may be compensated for each meeting he or she attends, not to exceed 52 per year. Compensation cannot exceed \$30 per meeting.

The bill would delete the \$30 cap on compensation for attending a board meeting and instead allow the participating governing bodies to establish the rate. In addition to compensation for attendance, members must be reimbursed for actual and necessary expenses incurred in the performance of board duties. The bill would not change that provision.

MCL 41.811

ARGUMENTS:

For:

The bill would make a minor change in law that will give local governments the authority to establish a rate of compensation for attending certain administrative board meetings regarding police and fire operations that will be sufficient to attract and retain knowledgeable people. In addition, it will also allow a local government to compensate members of governmental boards and committees at the same rate. For example, members of some boards may receive \$45 per meeting attended where members of boards overseeing important police and fire services can receive a maximum of only \$30. It would be fairer for board and committee members and easier for local governments if attendance could be compensated at the same rate for all meetings.

POSITIONS:

The Michigan Township Association supports the bill. (5-11-05)

A representative from Benton Township testified in support of the bill. (5-11-06)

Legislative Analyst: Susan Stutzky
Fiscal Analyst: Jan Wisniewski

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