Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 522 (as enrolled)
Sponsor: Senator Tom Casperson
Senate Committee: Local Government
House Committee: Local Government

Date Completed: 3-2-18

RATIONALE

Public Act 199 of 1929 authorizes villages and townships that have a population that does not exceed 10,000 people to establish community centers for the benefit of the public and levy taxes to maintain a community center or purchase property for it. A village or township must submit the question of whether it should establish a community center to the voting population. If the electors vote to establish a community center, the village or township governing body must appoint a seven-member board of directors. The Act requires the directors to serve without compensation. Some believe that this is unfair, and that the lack of reimbursement may dissuade people from serving in director positions. It has been suggested that a village or township should have the authority to determine the compensation of community center directors.

CONTENT

The bill would amend Public Act 199 of 1929 to require the governing body of a village or township to determine the compensation of the community center's board of directors.

As described above, if the electors of a village or township vote to establish a community center, the village or township governing body must appoint a seven-member board of directors, who must hold office until their successors are elected and qualified. At the next regular election, there must be elected a community board of seven directors, two for one year, two for two years, and three for three years, and then annually there must be elected the number of directors whose terms have expired. Alternatively, the governing body of a village or township may by resolution provide that at the next regular election, and then every two years, there must be elected a community board of seven directors who must hold office for two years. If a village or township initially elected directors for three-year terms, its governing body may subsequently adopt a resolution providing for the election every two years of directors for two-year terms.

The Act specifies that the directors must serve without compensation. The bill would delete this provision. Under the bill, the governing body of the village or township would have to determine by resolution the compensation of the board of directors.

The bill would take effect 90 days after its enactment.

MCL 123.43

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

Because the Act allows for a community center only in villages or townships that have a population of 10,000 or less and prohibits director compensation, director positions at a community center might be viewed as undesirable, considering the effort that goes into managing and maintaining a community center. In addition to handling that workload, board members must make complex decisions on building maintenance, construction, and related issues. Moreover, other local government positions frequently are allowed some sort of reimbursement, such as for travel expenses. By eliminating the compensation prohibition and requiring a village or township to determine the compensation of a community center board of directors, the bill would create parity between those positions and similar director or management appointments throughout local government. Furthermore, although the bill would require a city or village governing body to make a decision on compensation, it would not require the payment of compensation.

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have an unknown but likely minimal fiscal impact on local government, which would depend on the decisions of each village or township with a community center board of directors appointed under the Act. A governing body of a village or township that approved compensation for members of a community center board of directors would have increased costs.

The bill would have no fiscal impact on the State.

Fiscal Analyst: Elizabeth Pratt

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