1. **Property Tax Payments-Deferral of Fees, Penalties and Interest (HB 5761 and HB 5810)**

   In response to COVID-19, these two House bills would prohibit a local tax collecting unit from imposing or collecting any interest, penalty or other late charge or fee of any kind if a taxpayer does not timely pay his/her 2020 summer property tax bill. It would extend the deadline to pay the 2020 summer tax bill from September 14, 2020 to September 30, 2020. If the bill is not paid by September 30, then it would be returned as delinquent to the County on October 1, 2020. The County would be prohibited from collecting such late charges from the taxpayer. Rather, the County would file an application with the Michigan Department of Treasury to seek reimbursement of the late charges that would accrue between October 1, 2020 and February 28, 2021. If the County receives payment from the Michigan Department of Treasury for these late fees, then the County shall distribute the payment to the local taxing units. It would be the Legislature’s intent to reimburse counties, but no guarantee of that. There are workgroups meeting on these bills, so it is quite possible that they may be amended. The revenues the County collects from late fees, penalties and interest are deposited into the Delinquent Tax Fund, which the County uses to make its debt-service payments.

   **Action Requested:** Oppose this legislation.

2. **Community Mental Health (CMH) Funding**

   The CMH System continues to experience major budget and funding issues. The Lakeshore Regional Entity (LRE), of which Ottawa County CMH is a member, ended FY 2018 with expenditures exceeding revenues by $11.5 million. It should be noted that the actuarial firm hired by the State recommended a 7.5% increase to the Medicaid funding rates for FY 2020, which started on October 1, 2019. We have now been told that the State will implement 50% of this increase in FY 2020 and the remaining 50% in FY 2021. This will result in Ottawa County CMH expenditures exceeding revenues by about $500,000 in FY 2020. There are ongoing negotiations among the LRE, the individual counties within the LRE, state legislators and the DHHS to resolve LRE’s estimated $31 million cumulative deficit.

   Director Robert Gordon of the Michigan Department of Health and Human Services recently presented a new approach to providing behavioral health services that he says will lead to greater choice of providers, better coordination of services and increased investment in behavioral health by integrating physical and behavioral health in both care and financing. He is proposing to launch the new Medicaid-funded health plan in 2022. We still need to learn the details of this proposal before being able to evaluate it.

   **Action Requested:** Continue to work toward full and equitable CMH funding through Legislative means and the Administration where appropriate.

3. **Extend Terms of Office for County Boards of Commissioners to Four Years (HB 4937 & SB 505)**

   This bill would extend the term of office for County Commissioners from two years to four years beginning with the November 2022 general election. The bill also states that if a vacancy in office occurs more than seven days before the nominating petition deadline for the general November election that is not the general November election at which a successor in office would be elected if there were no vacancy, then the individual appointed shall hold office only until a successor is elected at the next general November election. The successor shall hold the office for the remainder of the unexpired term. Currently, there is support for this bill, though there is discussion on when this bill would become effective and whether commissioners’ terms should be staggered. The Republican legislators would like to see the effective date take place during a gubernatorial election year. The Democratic legislators would like to see the effective date take place during a presidential election year. It is possible that this partisan dispute may prevent these bills from being adopted.

   **Action Requested:** Support this legislation.
4. **Approach to Local Control (SB 0431, HB 4046 & HB 4090 of 2019)**

Several pieces of legislation have been introduced by members of both parties, which limit the historic local control by local units of government. While some deal with issues of immediate concern to local units (banning local ordinances regulating short term rentals, as in HB 4046 of 2019), others anticipate issues that are not of immediate concern (local food taxes and interview questions). The most recent example is SB 0431 of 2019 sponsored by Democratic Senator Adam Hollier from Detroit, which would amend the Michigan Zoning Enabling Act by prohibiting a local unit of government from preventing, prohibiting or denying a permit, approval or other authorization for the mining of natural resources (e.g. gravel mines) if the natural resources are “valuable” and very serious consequences would not result from the extraction of the natural resources. Another example is the County Law Enforcement Protection Act (formerly called the County Sanctuary Policy Prohibition Act (HB 4090 of 2019 and SB 382)), which would prohibit counties from enacting or enforcing ordinances or policies that limit or prohibit the Sheriff’s Office from cooperating with appropriate federal officials concerning the immigration status of an individual in Michigan. National and local surveys consistently indicate strong citizen support for local government and the ability to legislate locally depending on the needs and will of local citizens.

**Action Requested:** Ottawa County and our local units strongly support the concept of local control and oppose legislation that removes that right.

5. **Amend Municipal Partnership Act to Allow Revenue Bonds for Joint Endeavors (HB 5229)**

This bill introduced by Republican Representative Jason Sheppard would amend the Municipal Partnership Act to allow revenue bonds to be issued under a joint revenue contract. If the joint endeavor levied a millage, the number of mills would not count towards the constitutional or statutory tax rate limitation for any municipality that participates in the joint endeavor. This would allow those municipalities to levy more mills than under current law if approved by their electors. Furthermore, if a tax is levied by a joint endeavor for transportation purposes, then that tax cannot be “captured” by another governmental entity, such as a DDA or a brownfield authority. The Michigan Association of Counties, the Michigan Municipal League, Michigan Chamber of Commerce, Wayne County, Oakland County, Washtenaw County and other entities are supporting this bill. The Americans for Prosperity and the Michigan Freedom Fund are opposed to this bill.

**Action Requested:** Take no position at this time on this legislation.

6. **Statewide Sanitary Code**

HB 5752 of 2018 and HB 5753 of 2018, which was re-referred from the Committee on Natural Resources to the Committee on Local Government, would create a statewide sanitary code. Michigan is the only state without such a code. Concerns are many and significant. The legislation would eliminate the right of local jurisdictions to have a real estate transfer evaluation program, such as the very successful Ottawa County program. The legislation would also require regular inspection of most septic systems every five years instead of at point of sale, which the Ottawa program accomplishes. The Public Health Department would need significantly more staff to fulfill such a mandate. A significant amount of property would become undevelopable. The legislation would likely be viewed as an intrusion on private property rights and definitely would be an erosion of local control and authority of the Board of Commissioners. The House did not pass these bills at the end of the 2018 legislative session. It is likely that these bills will be reintroduced in 2020.

**Action Requested:** Do not support legislation that would negatively impact the Ottawa County Sewer Inspection Ordinance.
7. **Additional Requirements to Provide Indigent Defense (SB 0724)**

This bill would increase the requirements for defense counsel to represent indigent clients and result in higher costs. Section 13(7) of PA 93 of 2013 requires the State to pay for any funding in excess of the County’s share of the costs. As long as the State pays for this additional cost required under SB 0724, then the County will not oppose this bill. If the State does not pay for the additional cost, then the County will not provide these additional services.

**Action Requested:** Oppose this legislation if the State does not pay for the additional costs that result from this legislation.

8. **Tighter Restrictions on Juveniles Placed in Juvenile Detention Center (SB 0700)**

This bill would require the Circuit Court to notify the Michigan Department of Health and Human Services if a juvenile is placed in the Juvenile Detention Center (JDC) for violating a court order. The JDC would be required to interview the juvenile within 24 hours to assess the immediate needs of the juvenile. Within 48 hours of the assessment, the JDC would be required to submit the assessment to the court. The court shall then conduct a hearing to determine if the juvenile violated a court order and whether it is appropriate to place the juvenile in the JDC. If so, the juvenile's stay in the JDC could not exceed seven days.

**Action Requested:** Oppose this legislation, as it usurps the authority of the courts and judges.

9. **Michigan Transportation Funding for Non-Motorized Facilities (HB 4410)**

This bill would eliminate the requirement that at least 1% of the funds in the Michigan Transportation Fund be expended for construction or improvement of non-motorized transportation services and facilities, such as multi-use trails. While the County recognizes the poor condition of the roads in the state, the County, with the enthusiastic support of its residents, has constructed many miles of non-motorized trails throughout the County, including the Grand River Greenway. The County plans to continue to expand this trail system, which is a valuable asset to the County’s recreational system.

**Action Requested:** Oppose legislation that reduces funding for non-motorized trails.

10. **Local Excise Tax on Motor Fuel to Fund Repairs of Local Roads (HB 4963)**

This bill would, beginning January 1, 2020, permit counties to adopt an ordinance to levy, assess and collect an excise tax for up to five years on the selling or delivering of motor fuel in the county. The ordinance would become effective a minimum of 30 days after the ordinance is approved by a vote of the majority of the electors in the county. The Michigan Department of Treasury would collect the tax and distribute it to the county as follows: 50% must be distributed to the local road agencies in the county in the same proportion that the population bears to the total population of all local road agencies in the county; and 50% must be distributed to local road agencies in the same proportion that the local mileage in each bears to the total local mileage in all local road agencies in the county. The revenues from the excise tax shall be used only for eligible transportation activities within the county.

**Action Requested:** Oppose this legislation.

11. **Protect Against the Expansion of Property Tax Exemptions (i.e. HB 4268 and SB 360)**

Many bills are again being introduced that would expand the number of properties that could become exempt from property taxes. As an example, HB 4268 of 2019 would exempt from the collection of taxes eligible broadband equipment that resolves lack of broadband service. SB 360 of 2019 would exempt from the collection of taxes eligible data centers. Such legislation further erodes the tax revenues of all local units of government, jeopardizes the basis of the property tax, and shifts more tax burden to the remaining citizens and businesses not exempt from property taxes. HB 4176 of 2019 requires the State to reimburse local units of government for losses from the disabled veteran’s property tax exemption as an acceptable compromise where the State “pays for” their public policy instead of passing the cost to locals.

**Action Requested:** Oppose legislation that expands property tax exemptions, unless the State pays for it.
A primary legislative objective of local government associations (MAC, MML and MTA) continues to be problems with tax valuation methods in the Michigan Tax Tribunal (MTT). The “Dark Stores” issue references big box retailers that have increasingly been successful in MTT cases to change traditional methods of valuing property, often including deed restricted and/or vacant parcels as comparable structures to significantly lower tax valuations. Legislation is needed that will block those Dark Store techniques to reestablish a fair, equitable system of property review.

Local units won a victory in the State Court of Appeals, reversing the *Menards v. Escanaba* ruling that greatly limits the negative impacts of dark stores. The State Supreme Court upheld the Appeals Court decision and sent its ruling to the Michigan Tax Tribunal with requirement that the Tax Tribunal must take Court rulings into account when issuing a decision. We believe that the State Legislative should still adopt bills to reestablish a fair and equitable system of property review.

**Action Requested:** Pass legislation to reestablish a fair and equitable system of property review.

13. **Use of Restraints on Juveniles during Court Proceedings (HB 4802 of 2019)**
This bill, which has been referred to the Committee on Judiciary, would prohibit the use of handcuffs, chains, irons and other restraints on a child during a court proceeding unless the Sheriff’s Office submits a written request to the court for approval. At a court hearing, the Prosecuting Attorney would have the burden to establish that the use of restraints is necessary for public safety. Currently, the judges are responsible for courtroom security and work in cooperation with the Sheriff’s Office to determine the level of security necessary for each minor defendant on a case-by-case basis.

**Action Requested:** Oppose legislation that reduces the discretion of the local judges and the Sheriff’s Office to determine the appropriate amount of restraint to be used on each minor defendant.

14. **Personal Property Tax**
SB 1031 of 2018 would allow utility personal property to be reclassified to industrial, which would exempt it from the personal property tax. This would have major implications for property tax revenue of Ottawa County, Ottawa ISD, Grand Haven Public School District and Port Sheldon Township. This was specifically and intentionally left out of the legislation that approved the Personal Property Tax Reform a few years ago. To our knowledge, Consumers Energy is the only entity pushing this. The Senate did not pass this bill at the end of the 2018 legislative session. It is possible that this bill will be reintroduced in 2019.

**Action Requested:** Do not support legislation that would allow reclassification of utility personal property to industrial class.

15. **Infrastructure Funding**
In November 2016, the 21st Century Infrastructure Commission reported that Michigan needs to invest an additional $4 billion each year to meet our infrastructure needs. Increased federal funding and a sustainable funding model is needed to invest in a 21st century infrastructure system. West Michigan is a pilot region to develop a set of recommendations and lessons learned for use as a framework in the development of a statewide asset management system. The legislature approved the blueprint and creation of the permanent commission.

**Action Requested:** Increase funding at the federal and state level to meet infrastructure needs, including the protection and expansion of tax-exempt municipal bonds and low-interest grants and loans to be as efficient as possible in meeting infrastructure needs.
16. **Revenue Sharing as Component of Pension and OPEB Legislation (HB 5314-5316 of 2017)**

As part of the discussion surrounding passage of the municipal pension and OPEB bills, HBs 5314-5316 of 2017 were introduced by Rep. Ver Heulen addressing revenue sharing as an important component of local government addressing unfunded liabilities. While the pension/OPEB bills were approved, the revenue-sharing bills have yet to be taken up. We believe the legislation would protect existing revenue sharing from cuts and also ensure annual increases. The House did not pass any of these bills during the 2017 or 2018 legislative sessions.

**Action Requested:** Support legislation that would increase the security of existing revenue sharing payments and increase future revenue sharing.

17. **Unfunded Mandates (SB 411 of 2017)**

In 2009, the Legislative Commission on Unfunded Mandates determined that more than $2.5 billion in services that can be measured, and billions more that cannot be measured, are provided by local units of government (LUGs) for free to the State of Michigan through unfunded mandates. As an example, since 1997, Michigan has not followed the state public health code (Public Act 368 of 1978, Section 2475), which requires the State to pay its share (50%) of certain allowable health program costs. Ottawa County currently receives only 21%.

Previous examples include SB 411 of 2017, which would amend the Public Health Code to require local health departments to perform several additional functions in addition to child vision screenings in an effort to require parents to follow-up with an eye care professional. The Senate did not pass this bill during the 2017 or 2018 legislative sessions.

**Action Requested:** Support legislation that would eliminate LUGs requirement to follow any state-imposed mandates that are not funded by the State.