



**House  
Legislative  
Analysis  
Section**

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**ALLOW ALTERNATIVE FISCAL YEAR**

House Bill 5181 as introduced  
First Analysis (12-10-87)

Sponsor: Rep. John Bennett  
Committee: Towns and Counties

RECEIVED

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APR 12 1988

**THE APPARENT PROBLEM:**

Currently, the charter township act stipulates a fiscal year for townships which extends from January 1 to December 31. Most non-chartered general-law townships throughout the state, however, have fiscal years — which were established in their own charters before the state's charter township act — which run from April 1 to March 31.

Redford Township, although unchartered, is in the process of becoming a charter township. If Redford becomes a charter township, its fiscal year would have to conform to state law; and in the process of changing its fiscal year, it could possibly lose a significant amount of tax revenue from the change. Some feel that state law should be changed to give a township the liberty to continue with a general-law fiscal year, which runs from April 1 to March 31, instead of from January 1 to December 31.

**THE CONTENT OF THE BILL:**

The bill would amend the charter township act to provide for an alternative fiscal year from April 1 to March 31, instead of from January 1 to December 31, for townships whose charters stipulate such an alternative fiscal year.

The act currently requires each township officer to submit to the township supervisor by August 1 an estimate of the anticipated expenditures of the township for the area under that officer's charge. The supervisor then is required to submit a complete itemized budget to the township board before September 1. The township board is then required to adopt a proposed budget, by resolution, no later than November 1.

The bill, in allowing an alternative fiscal year, would change the act's language as follows:

- a township officer would be required to submit to the township supervisor no later than 120 days before the commencement of the fiscal year an estimate of expenditures for that officer's area of responsibility;
- a township supervisor would be required to submit to the township board no later than 90 days prior to the commencement of the fiscal year a complete itemized budget proposal for the next fiscal year; and
- a township board would be required to adopt by resolution the budget for the next fiscal year no later than 60 days prior to the commencement of the fiscal year.

MCL 42.24 et al.

**FISCAL IMPLICATIONS:**

The House Fiscal Agency reports the bill would have no fiscal impact on the state. (12-7-87)

**ARGUMENTS:**

**For:**

The bill would grant townships such as Redford, which have worked according to a fiscal year which differs from

that stipulated in state law, the liberty to continue with their alternative fiscal year when becoming a charter township. If a township with an alternative fiscal year were to adjust its fiscal year to that stipulated in state law, it could lose a significant amount of tax revenue in the change.

**Against:**

The bill, in changing the language to allow for an alternative fiscal year, would also change some of the reporting times previously established for submitting a proposed budget. According to current law a township officer is required to submit a proposed budget for his or her area of responsibility to the township supervisor no later than August 1 — 150 days before the commencement of the next fiscal year. And the township supervisor is required to submit a proposed budget to the township board no later than September 1 — 120 days before the commencement of the next fiscal year. But House Bill 5181 would reduce these reporting times from 150 to 120 days and from 120 to 90 days, respectively. The bill should be amended to keep the same time requirements for budget proposals as the original law stipulated.

**POSITIONS:**

The Michigan Townships Association supports the bill. (12-9-87)

Redford Township supports the bill. (12-9-87)

H.B. 5181 (12-10-87)