

Legislative Analysis



LOCAL GOVERNMENT OPERATIONS

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Senate Bill 868 (Substitute S-2)
Sponsor: Sen. Laura Toy

Senate Bill 875 (Substitute S-1)
Sponsor: Sen. Bill Hardiman

Senate Bill 872 (Substitute S-1)
Sponsor: Sen. Wayne Kuipers

Senate Bill 908 (Substitute S-1)
Sponsor: Sen. Bev Hammerstrom

House Committee: Local Government and Urban Policy
Senate Committee: Local, Urban and State Affairs

Complete to 4-21-06

A SUMMARY OF SENATE BILLS 868, 872, 875 & 908 AS PASSED BY THE SENATE

The bills would amend various statutes to do the following:

- Allow all or part of the balance in a local unit's delinquent tax proceeds account to be transferred to the county general fund.
- Permit a county board of commissioners in December 2007 and every four years thereafter to elect to have the state foreclose on property forfeited to the county or to rescind its prior election to have the state foreclose property forfeited to the county treasurer.
- Set a time frame for a local unit to hold a hearing on its budget.
- Authorize a public corporation to pool or coordinate its investment funds with the funds of other public corporations.
- Revise the information that must appear on a notarized record.

The bills are described below.

Senate Bill 868

Under the General Property Tax Act, a foreclosing governmental unit must deposit the proceeds from the sale of property into a restricted account designated as the "delinquent tax property sales proceeds for the year ____". Proceeds in the account may be used only to reimburse the county's delinquent tax revolving fund for taxes, interest, and fees on all of the property, and to pay costs of the sale of property, costs of the foreclosure proceedings, and other specified costs, including costs for the defense of title actions. ("Foreclosing governmental unit" means either the treasurer of a county or the state if a county has elected to have the state foreclose property forfeited to the county treasurer.)

The bill would amend that act (MCL 211.78 & 211.78m) to require a foreclosing governmental unit other than the state, in 2007 and each subsequent year, by June 30 of the second calendar year after foreclosure, to submit a written report to its board of commissioners identifying any remaining balance in the account and any contingent costs described in the act. All or a portion of the remaining balance then could be transferred to the county general fund.

The bill also would allow a county board of commissioners, during December 2007 and every fourth year after 2007, to adopt a resolution to do either of the following:

- Elect to have the state foreclose tax-delinquent and abandoned property forfeited to the county treasurer.
- Rescind its prior election to have the state foreclose property forfeited to the county treasurer.

[Currently under the act, a county board of commissioners has until December 1, 1999, to adopt a resolution electing to have the state foreclose property forfeited to the county. During December 2004, a county board could adopt a resolution either making that election, or rescinding a prior election to have the State foreclose property forfeited to the county.]

Senate Bill 872

The bill would amend Public Act 43 of 1963 (2nd Ex Sess) (MCL 141.413), which provides for public hearings on budgets of local units of government, to require each local unit to hold a public hearing within 30 days before the date of final adoption of its budget. Under the act, each local unit must hold a public hearing prior to final adoption of its budget.

Currently, units that submit budgets to a county tax allocation board must hold the public hearing after the board has fixed the tax rate allocation. The bill would make this permissive.

[The act defines "local unit of government" as a county, township, city, village, authority, or school district empowered by the State Constitution or by law to prepare budgets of estimated expenditures and revenue.]

Senate Bill 875

The bill would amend Public Act 20 of 1943 (MCL 129.91), which regulates the investments of public corporations, to allow the governing body of a public corporation, by resolution, to authorize its investment officer to pool or coordinate the funds to be invested with the funds of other public corporations, except in counties where a local government investment pool was operating and accepting deposits.

The act identifies instruments and obligations in which public corporations may invest funds. The act also allows public corporations to invest in investment pools organized under the Surplus Funds Investment Pool Act or the Local Government Investment Pool Act. (Under the Surplus Funds Investment Pool Act, a local unit may enter into a contract with a financial institution to place surplus funds in an investment pool. Under the Local

Government Investment Pool Act, a county may accept funds from local units within the county for investment by the county treasurer, who may pool local units' funds in a local government investment pool, and local units may enter into a contract with the county to place surplus funds in an investment pool.)

[Under Public Act 20 of 1943, "public corporation" means a county, city, village, township, port district, drainage district, special assessment district, or metropolitan district of the State, or a board, commission, or another authority or agency created by or under an act of the Legislature. "Investment officer" means the treasurer or other person designated by statute or charter of a public corporation to act as the investment officer; in the absence of a statutory or charter designation, the governing body of a public corporation must designate the investment officer.]

Senate Bill 908

The bill would amend the Michigan Notary Public Act (MCL 55.287) to revise the information that must appear on a record that is notarized and to repeal Section 29 of the act, which allows a notary public to use a "plain English notary form."

The act provides that, on each record for which a notary public performs a notarial act and as near the notary public's signature as is practical, the notary public must print, type, stamp, or otherwise imprint mechanically or electronically, in a manner capable of photographic reproduction, all of the following:

- The name of the notary public exactly as it appears on his or her notary public certificate of appointment.
- The statement: "Notary public, State of Michigan, County of _____."
- The statement: "My commission expires _____."
- The statement: "Acting in the County of _____."

Under the bill, a notarized record would have to include the statement, "Acting in the County of _____." only if the notary public were performing a notarial act in a county other than his or her county of commission.

The bill also would require the record to include the date the notarial act was performed. In addition, the record would have to include the name of the notary public exactly as it appears on his or her application for commission as a notary, rather than as it appears on his or her certificate of appointment.

Under the act, the required information must be printed "clearly and legibly." The bill, instead, would require that the information be sufficiently clear and legible to be read by the secretary of state, and in the format shown in the act (as revised by the bill) or in a similar format that conveyed all of the same information. The bill also would require a notary to sign his or her name exactly as it appears on his or her application for commission as a notary, rather than as it appears on his or her certificate of appointment.

Section 29 allows a notary public to use a plain English notary form for an affidavit or sworn statement or for an acknowledgement for an individual acting in his or her own

behalf, a co-partnership, a limited partnership, a corporation, a limited liability company, a public officer, a trustee, or a personal representative. The bill would repeal that section.

Additional Bill This package of bills also includes Senate Bill 870. That bill has been referred to the House Committee on Transportation for consideration. A brief summary of that bill follows.

Senate Bill 870

The bill would amend Public Act 51 of 1951, the Michigan Transportation Fund law (MCL 247.664 & 247.665), to allow the electronic submission of information that county road commissions, cities, and villages must provide to the Michigan Department of Transportation (MDOT).

Specifically, beginning January 1, 2007, information required under Section 14 or 15 could be submitted on a single consolidated form, which MDOT would have to develop and make available electronically. The form would have to allow county road commissions, cities, and villages to summarize the required information. If MDOT established with good cause that the information submitted to it was insufficient, the department could separately request additional information from any county road commission, city, or village.

Section 14 requires county road commissions, cities, and villages to report to MDOT the mileage of each road system under their jurisdiction and the receipts and disbursements of road and street funds. A county road commission also must report on its compliance in the preceding year with the act's provisions regarding the expenditure of funds from the MTF and Federal revenue distributed to the use of the county road commission.

Under Section 15, before May 2 of each year, every county road commission, or the county executive or other agency acting as the county road commission, must report to the director of MDOT, each township in the county, and the county clerk on the disposition of funds appropriated, apportioned, or allocated under the Act to the county. The bill would require a county road commission (or county executive or other agency) to provide this information to the MDOT Director on and after January 1, 2007, and beginning May 2 of each year. The information would not have to be reported to each township and the county clerk.

FISCAL IMPACT:

There is no fiscal impact on the State of Michigan or its local units of government from Senate Bills 868, 872, 875, and 908.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.