

ITEMS IN HB 153 IMPACTING TOWNSHIPS

Public Notice and Sale of On-line Advertising (Pages 14-20 or Lines 433-619) - Permits legal advertisements to be in an insert of a newspaper - permits use of community newspapers for advertising purposes if the newspaper has at least 25% editorial, nonadvertising content exclusive of inserts relative to total publication space and has an audited circulation of at least 50% of the households in the newspaper's trade zone - permits township to publish a required full notice on a statewide website as opposed to a newspaper - would still require an abbreviated notice in a newspaper - permits a township to adopt a resolution authorizing commercial advertising on the township's website

Shared Services (Pages 50-51 or Lines 1533-1570) - Broad provision permitting political subdivisions to collaborate

Health Care Plans (Pages 51-71 or Lines 1571-2207 and Pages 468-473 or Lines 14528-14676) - Requires state to create health care plans for local governments and schools - requires self-insurance programs for health care operated by local governments and schools to get approval from state - requires local governments and schools to participate in statewide plan OR consortium of two or more entities offering health care with at least 2500 employees as approved by state OR a self insurance health plan approved by the state - if local governments and schools do not participate in one of the above, they will not receive state aid - unclear if townships that are not currently offering health care would have to start offering health care - existing township law permitting townships to offer health care shall remain in place until state plan becomes effective - if state plan does not offer all that current law provides, township may continue to still offer those types

Cost of Audits (Pages 144-148 or Lines 4487-4620) - Current law requires certain expenses of deputy auditors to be paid out of the state treasury such as vacation, sick time, traveling costs and hotel expenses - this language is stricken from law - new language has been added requiring the Auditor of State to establish by rule rates to be charged to local governments for recovering the costs of audits

Furlough Days & Modified Work Weeks (Pages 246-248 or Lines 7677-7744) - Permits a township to require furlough days for SFY 2012 and 2013 (or July 1, 2011 - June 30, 2013) for exempt permanent full-time or permanent part-time employees not subject to collective bargaining agreements - permits a township to establish a modified work week in SFY 2012-2013 which could provide in a reduction from the usual hours worked during a week - after June 30, 2013 these programs could continue but only if township is in fiscal emergency

Statewide Public Notice Website (Pages 252-254 or Lines 7881-7922) - Requires State's office of information technology to establish, operate and maintain the state public notice web site - not sure if local governments would be charged a fee for posting notices

LGF Formula Modification (Pages 276-277 or Lines 8593-8640) - Alters the formula for the Local Government Fund starting July 2013 - basically the current formula of 3.68% will be reduced and the new percentage will be calculated as a percent of the FY 2013 distribution divided by total state revenues at that time

Employer Employee Shares of Pension (Pages 306-312 or Lines 9551-9711 and Pages 473-475 or Lines 14677-14758) - Increases employee OPERS contribution rate to 12% as of July 1, 2011 - reduces employer OPERS contribution rate to 12% as of July 1, 2011 - increases PERS law enforcement officers employee contribution rate to 13.6% as of July 1, 2011 - increases PERS public safety officer employee contribution rate to 13% as of July 1, 2011 - reduces employer contribution rate for PERS public safety employees to 16.1% as of July 1, 2011 - increases OP&F employee contribution rate to 12% as of July 1, 2011 - reduces OP&F police officer employer contribution rate to 17.5% as of July 1, 2011 - reduces OP&F firefighter employer contribution rate to 22% as of July 1, 2011

Use of Design Build (Pages 315-358 & 2013-2020 or Lines 9820-11140 & 62651-62886) - Increases from \$50,000 to \$200,000 all competitive bidding thresholds relative to this section (Ch. 153) - grants local governments, including townships, the option of hiring a design-build firm for public improvement contracts - defines "design-build services" as an integrated system in which a single vendor is responsible for design, demolition, construction, alteration, repair or reconstruction of public improvements such as buildings and roads - firms must be selected based upon qualifications in a process detailed in statute - townships would have to retain a criteria architect or engineer to assist in evaluating design-build proposals

Contracting with ESC (Pages 467-468 or Lines 14508-14527) - Permits a township to enter into a contract with an educational service center (ESC) for the purchase of services

Office Space for Health District (Pages 1756-1760 or Lines 54620-54732) - Requires board of county commissioners to provide office space and utilities to a county general health district through 2011 - after 2011, commissioners shall make payments over 4 years - beginning in 2012, commissioners do not have to provide office space, utilities or payments to general health districts - this could fiscally impact townships, as townships provide funding to general health districts

Prevailing Wage Threshold (Pages 2020-2032 or Lines 62887-63243) - Increases prevailing wage threshold for new construction and reconstruction/improvement to \$5 million - new roads would not be \$5 million, rather \$78,258 and then indexed biennially - road reconstruction and improvements would not be \$5 million, rather \$23,447 and then indexed biennially - prevailing wage would not apply to school or higher education projects

Solid Waste Fees (Pages 1871-1889 or Lines 58209-58796) - Keeps the increased tipping fee collected by state for solid waste through June 30, 2014 - current law increased fee only through June 30, 2012

Enterprise Zone Extension (Pages 2720-2725 or Lines 84441-84592) - Extends through October 15, 2012, the ability of a municipal corporation or county to create an enterprise zone

Public Utility Tax Reimbursements (Pages 2730-2743 & Pages 2752-2758 or Lines 84760-85142 & 85424-85624) - Current law provides public utility tangible property reimbursements to local governments for taxes lost due to electricity and natural gas deregulation - payments began phasing out in 2007 - bill changes the reimbursement program from what was lost in taxes to the reliance on those reimbursements - reliance is measured in terms of the percentage of total revenue resources available to the local government for current operating expenses, which also includes an estimated amount for 2010 - for a township, "total resources" is defined as local property taxes, LGF distributions, TPP tax reimbursements, and utility tax reimbursements - reimbursement to local governments will be phased out by rule, whereby no more than 2% of the unit's total revenue resources are removed each year - if a township receives less than 2% of its resources from utility deregulation reimbursement, the entire amount is eliminated as of July 1, 2011 - if a township has greater than 2% reliance on the utility reimbursement, the reduction in reimbursement the first year (FY 2012) is an amount equal to 2% and then there after the amount is reduced by 2% until eliminated or until 2030 - if a township is still getting money as of SFY 2030, the township will get nothing as of SFY 2031 - all revenue collected from state for these reimbursement programs will be redirected to the state's general revenue fund over the next 20 years until the state is receiving 100% of the money in the GRF in FY 2031

Tangible Personal Property Tax Reimbursements (Pages 2811-2816 or Lines 87275-87435) - Current law provides tangible personal property reimbursements to local governments for taxes lost due to taxes lost when the state eliminated the TPP tax in 2005 - payments are scheduled to begin phasing out July 1, 2011 - bill changes the reimbursement program from what was lost in taxes to the reliance on those reimbursements - reliance is measured in terms of the percentage of total revenue resources available to the local government for current operating expenses, which also includes an estimated amount for 2010 - for a township, "total resources" is defined as local property taxes, LGF distributions, TPP tax reimbursements, and utility tax reimbursements - reimbursement to local governments will be phased out by rule, whereby no more than 2% of the unit's total revenue resources are removed each year - if a township receives less than 2% of its resources from utility deregulation reimbursement, the entire amount is eliminated as of July 1, 2011 - if a township has greater than 2% reliance on the utility reimbursement, the reduction in reimbursement the first year (FY 2012) is an amount equal to 2% and then there after the amount is reduced by 2% until eliminated or until 2018 - if a township is still getting money as of SFY 2030, the township will get nothing as of SFY 2031 - all revenue collected by state for these reimbursement programs will be redirected to the state's general revenue fund

Fire Departments/Grants (Pages 2880-2882 or Lines 89224 & 89252-89293) - Permits small government fire department grant money to be given to private fire departments - appropriates up to \$1,647,140 in each fiscal year to be used to make annual grants to volunteer fire departments, departments that serve one or more small governments, joint fire districts comprised of small governments and twps/muni responsible for fire departments

Disaster Fund (Pages 2885-2886 or Lines 8938-89412) - Provides potential assistance to local governments hit by a natural disaster or emergency

Advanced Energy Fund (Pages 2904-2905 or Lines 89899-89907) - States that the Advanced Energy Programs appropriation may be used for eligible advanced energy projects for local governments

Homestead/Property Tax Rollbacks (Pages 3153-3154 or Lines 96858-96883) - Makes an appropriation for the rollbacks distributed to local governments and schools

Adjustment to LGF Distributions (Pages 3208-3213 or Lines 98483-98620) - Reduces LGF by 25% for August - December 2011 payments compared with August - December 2010 payments - reduces LGF by 50% for August 2011-July 2012 payments compared with August 2010 - July 2011 payments