

Legislative Analysis



ALLOW LOCAL PUBLIC OFFICIALS TO REFUSE COMPENSATION

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House Bill 6190 as introduced
Sponsor: Rep. Lorence Wenke
Committee: Local Government and Urban Policy
First Analysis (10-27-04)

BRIEF SUMMARY: The bill would create a new act to give local public officials the option of refusing compensation.

FISCAL IMPACT: There is no fiscal impact on the state and some small, but indeterminate, amount of savings for local units of government.

THE APPARENT PROBLEM:

A citizen recently appointed to the Schoolcraft Township (Kalamazoo County) planning commission learned that the township paid its planning commissioners \$35 a meeting (or \$420 annually), and the planning commission chairman \$60 a meeting (or \$729 annually). The new appointee claimed that, although he is a professional land use consultant of 30 years experience and accustomed to working with many planning and zoning commissions statewide, he had never encountered commissioners who were paid, and was unaware that some local units of government paid the members of their planning commissions for their services.

Upon appointment the new Schoolcraft Township commissioner declined his compensation. However, the township attorney—citing state attorney general opinion 6961—explained that township officials were required to pay all of their appointees or none.

Currently under the law, local governments have the option to establish compensation for planning commissions. Legislation has been introduced to give those appointed to serve in local governments the option to decline compensation.

THE CONTENT OF THE BILL:

House Bill 6190 would create a new act to give local public officials the option of refusing compensation. The bill specifies that upon written notice to the legislative body of a village, city, township, or county in which a person serves as a public official, the person could elect not to receive compensation for that service.

The bill would define “legislative body” to mean any of the following: the council, commission, or other entity vested with the legislative power of a village; the council or other entity vested with the legislative power of a city; the township board of a township;

and the county board of commissioners of a county. Further, the bill would define “public official” to mean a person who is elected or appointed to any of the following: a public office of a city, village, township, or county in this state; and a department, board, agency, institution, commission, authority, division, council, or other public entity of a city, village, township, or county in this state.

ARGUMENTS:

For:

State planning statutes provide elected local government officials the option to establish compensation for appointed planning commissioners. Where compensation is established, appointees should have the option to decline the offer of payment. Appointees to local land use advisory boards should be free to offer their expertise as citizen volunteers without either the expectation or requirement of pay. This legislation would make that possible for all local public officials. In doing so, it saves tax dollars while maintaining needed services.

Response:

The legislation is unnecessary because appointees who wish to turn down their compensation may simply donate their pay back to the local unit of government.

Reply:

Although a donation is possible, it does not remove either the local unit of government’s burden for accounting and payroll expenses on behalf of the appointee or the appointee’s responsibility to pay taxes on income he or she does not want.

Against:

Some have suggested that the bill be restricted to appointed officials only. Otherwise compensation could become a political issue, allowing the wealthy to campaign as willing to serve in elective office without pay.

POSITIONS:

The Michigan Townships Association indicated its support for the bill to the House Committee on Local Government, but also expressed a preference for restricting the bill to appointed officials. (9-29-04)

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