

# Legislative Analysis

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## **TOWNSHIP RECEIPTS AND EXPENDITURES: ALLOW TO BE KEPT BY ELECTRONIC MEANS**

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**House Bill 5257 as introduced**  
**Sponsor: Rep. Richard Ball**  
**Committee: Judiciary**

### **First Analysis (10-18-05)**

**BRIEF SUMMARY:** The bill would allow township treasurers to keep accounts of township expenditures electronically.

**FISCAL IMPACT:** The bill would have no impact on state or local revenues.

### **THE APPARENT PROBLEM:**

Reportedly, an incumbent township treasurer lost a recent election to her opponent. When the time came to vacate the office, she refused to turn over computer discs containing the township's financial information to her successor. She claimed that the current law only required her to turn over a book in which an account of the receipts and expenditures of township money is required to be kept. She maintained that since the computer discs were not "a book," they were her personal property and therefore did not have to be delivered to the new treasurer.

Legislation is being offered to allow township treasurers to also maintain township financial records electronically, and to require delivery of the account to their successors in office.

### **THE CONTENT OF THE BILL:**

A township treasurer is required by law to keep an accurate account of the receipts and expenditures of township money in a book which meets the uniform accounting requirements of the state treasurer. This is done at the expense of each township.

The bill would amend Chapter 16 of the Revised Statutes of 1846, which provides for the powers and duties of townships and the election and duties of township officers, to allow a township treasurer to also use electronic means to meet the above requirement. In addition, the act requires the book (the bill would instead refer to the "account") to be delivered to the township treasurer's successor in office. The bill would specify that this would have to be done in a "timely manner."

MCL 41.78

***ARGUMENTS:***

***For:***

The bill corrects a gap in law created by changing technologies and accounting practices. Many governmental records are now generated and maintained in electronic formats. The bill would merely update existing law to authorize township treasurers to keep a township's accounts by electronic means and to deliver the account – in whatever format – to a successor in office in a timely manner. Hopefully, the revision will prevent a repeat of what occurred after one contentious election in the state where the defeated incumbent treasurer claimed the statute did not apply to the computer records she kept while in office and so refused to turn them over to her successor.

***POSITIONS:***

A representative of the Michigan Townships Association indicated support for the bill.  
(10-12-05)

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