



## WEEKLY LEGISLATIVE REPORT

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### **HOUSE APPROPRIATIONS COMMITTEE RESTORES REVENUE SHARING CUTS**

The House Appropriations Committee restored revenue sharing cuts on Thursday afternoon for the next fiscal year (beginning Oct. 1, 2010) after failing to garner enough votes for a 3.1 percent cut or \$10 million to statutory revenue sharing for townships, cities and villages and a similar cut for counties amounting to \$3.6 million. The Appropriations Committee approved HB 5880, the general government budget bill that contains revenue sharing, only after revenue sharing levels were restored to the governor's budget recommendation (a freeze at current year levels). It appears the committee also acted to tie the revenue sharing restoration to 11 tax loophole bills that would net \$26 million in revenue. MTA along with other local government groups testified before the House Appropriations Committee on Tuesday to explain how 10 years of revenue sharing cuts is taking a significant toll on local government services and how the cuts this year are coming on top of significant reductions in property tax revenues. MTA appreciates the efforts of many committee members who are committed to holding the line on revenue sharing cuts. Their action puts local governments in a better position as the general government budget moves to the Senate in the coming weeks.

### **PROPERTY TAXES ON WATER CONDITIONING EQUIPMENT**

As noted in the above article, the House Appropriations Committee has tie-barred the general government appropriations bill to 11 pieces of legislation that would eliminate "tax loopholes." One of the bills in question is HB 5490, offered by Rep. Mark Meadows (D-East Lansing), which would eliminate the exemption of rented water conditioning units from personal property taxes. The exemption was originally put into place due to the unique situation where rental equipment was being attached to homes. It was pointed out at the time that local assessors did not differentiate homes that had water conditioning units that were owned versus homes that had rental units. As a result, all water conditioning units, regardless of being owned or rented by the homeowner, were essentially taxed within the value of the home.

### **HOUSE LOOKS AT CLOSING DETROIT STATE POLICE POST**

In past years, recommendations have been made to close various state police posts across the state. This is then followed by frantic phone calls from local government officials and citizens to their legislators to stop the concept from being implemented. This has generally been a successful strategy to stop the closure. This year, the talk coming from the House of Representatives is the closure of the state police post in Detroit. The Detroit post is the largest in the state. The proposal would redistribute the troopers in the Detroit headquarters into other offices across the state. Undercover operations would continue to take place in Detroit. Currently, state police focus on patrolling the highways within the city of Detroit. The same legislation is looking to increase traffic tickets by \$5 in order to generate an additional \$6 million per year. Of that amount, \$2.2 million would be dedicated to secondary road patrol and \$2.95 million would go into the state police crime lab. The crime lab is currently experiencing a huge backlog on processing evidence.

### **FIREWORKS SPARK DEBATE**

In an effort to find money for firefighter inspection and training services, the House is considering an idea to generate \$2.6 million in revenue by allowing the sale of fireworks that are currently illegal and using a new tax on the items to fund the firefighter programs. The debate is moving in different directions. Firefighters are not enamored with the idea of lifting the current ban on fireworks, but support funding the programs. The legislation would limit sales to regular business establishments, so the dealers who invade the state in June with their tents and tables are not thrilled with the proposal either.

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