



WEEKLY LEGISLATIVE REPORT

May 13, 2011

Phone: 517-321-6467

Website: [www.michigantownships.org](http://www.michigantownships.org)

Please route to all interested parties in your township.

### **GOVERNOR'S TAX PLAN APPROVED; STATE BUDGET BILLS MOVING TO CONFERENCE**

Governor Rick Snyder's tax plan won approval in the Senate this week and is on its way to his desk for signature after the House swiftly concurred in the changes. All Democrats and numerous Republicans voted against the tax package in the Senate, which approved the main bill (HB 4361) with a 19-19 tie that was broken by a rare vote cast by Lt. Gov. Brian Calley. The tax package eliminates the Michigan Business Tax and replaces it with a 6% corporate income tax, removing the income tax exemption on pensions for those under the age of 67 and maintaining a freeze on the state income tax (4.35%) for another year. The main change by the Senate was restoring the 6% Earned Income Tax Credit (EITC), which represents 6% of the federal EITC. Estimated numbers show that under the new tax plan, business will receive a \$1.67 billion credit while an additional \$1.48 billion will be collected in income taxes. Budget bills for FY 2012 were all sent to conference committees this week as the House and Senate took turns non-concurring in each other's appropriations bills. It is expected that 16 different conferences committees will begin meeting next week. Ultimately, the plan is to roll all 16 budgets into two omnibus budget bills.

### **HOUSE COMMITTEE APPROVES BILL TO CHANGE PILT FUNDING SOURCE**

The House Natural Resources, Tourism and Outdoor Recreation Committee this week approved two bills designed to require the Natural Resources Trust Fund (NRTF) to be used to help pay payments-in-lieu-of-taxes (PILT) on state land to local governments. Under current law, the obligations of the state on property purchased by the state through the NRTF is covered by 50% from the NRTF and 50% from the state's general fund. HBs 4577 and 4579, sponsored by Reps. Joel Johnson (R-Clare) and Frank Foster (R-Pellston), respectively, would require the state to make full PILT payments to local governments on NRTF-funded purchased land and to use the NRTF for all of the entire payment. Estimates compiled by the House Fiscal Agency demonstrate a savings of \$350,000 to the state general fund and a \$775,000 savings to the state school aid fund if the bills are approved. The bills also provide a more reliable source for at least some of the PILT payments owed to local governments. MTA testified in support of the bills.

### **COMMITTEE REPORTS BILLS TO MOVE SCHOOL ELECTIONS TO NOVEMBER**

On Tuesday, the House Redistricting and Elections Committee reported legislation that would move school board elections to the November general election. HBs 4005 and 4006, introduced by Rep. Kurt Heise (R-Plymouth Chtr. Twp.), would mandate the switch to November even-year elections starting in 2012. An amendment offered by Rep. Barb Byrum (D-Onondaga Twp.) to allow for the continuation of school board elections on the odd-year November election failed to garner majority support despite the fact that many communities have moved to consolidate school board elections on the odd-year November election. The bills now move to the House floor for further consideration.

### **YOUR INPUT IS REQUESTED ON ILLEGAL DUMPING OF SCRAP TIRES**

MTA and other local government organizations are currently discussing with DEQ more stringent requirements for scrap tire haulers to help cut down on the illegal dumping of scrap tires. Your input on illegally dumped tires in your community would be very helpful to the discussion. Specifically, what we are requesting is how many tires are illegally dumped in your community and how much effort and money does your township put into dealing with dumped scrap tires each year? Please reply with that information to Tom Frazier at [tom@michigantownships.org](mailto:tom@michigantownships.org) by 5 p.m. on Friday, May 27. Thanks in advance for your input.

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