



WEEKLY LEGISLATIVE REPORT

August 21, 2009

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Please route to all interested parties in your township

LEGISLATURE RETURNS FOR LIGHT DUTY; BUDGET MOVEMENT NOT LIKELY UNTIL SEPT.

Both the House and Senate held session this week but stayed away from budget bills to implement a 2010 fiscal year budget. The governor and legislative leaders continue to huddle over budget targets with no agreement yet for each of the various spending categories. Meanwhile, some estimates show the state facing as much as a \$2.8 billion hole for the upcoming budget that starts on Oct. 1. One key component in addressing the budget is whether or not state officials will use up to \$1.6 billion in available federal stimulus money to plug the deficit, leaving a hole of \$1.2 billion to fill. Republicans are reluctant to utilize all of the available federal stimulus dollars for fear of making the problem even worse for the next fiscal year when limited help will be available from stimulus dollars. Meanwhile, Gov. Granholm is suggesting new revenue sources (\$685 million) to help fill the state budget hole and to phase out the 22 percent surcharge on the Michigan Business Tax. Her ideas include expanding the state's 6-cent "sales tax" to entertainment events, service contracts and vending machines. Her proposal also includes raising the state's cigarette tax another 25 cents to \$2.25 per pack and to place a 1-cent tax on bottled water sold in Michigan. The governor would also cut the film production credit by 12 percent and cut the Earned Income Credit from 20 to 15 percent. These ideas have simply been raised in budget discussions with legislative leaders. At this point, no one anticipates an agreement on a budget occurring before mid-September at the earliest.

GOVERNMENT EFFICIENCY COMMISSION SETS FINAL DEADLINE

After missing two previously set deadlines, the co-chairs of the Legislative Commission on Government Efficiency have indicated that a final report suggesting savings to state government will be finalized by Oct. 1. The commission recently held four hearings around the state that were attended by many township officials and others, who commented on the commission's preliminary recommendations. Some of those recommendations include: the elimination of the Promise Grant for those going to college, increased joint purchases by local governments and school districts, and a version of a state-operated health care fund for public workers. Of utmost concern to townships is a proposal to earmark revenue sharing for certain types of specific services. Other recommendations would provide local units of government greater taxing authority, promote school district consolidation, and transfer \$300 million from K-12 education to community colleges. Once the report is finalized, it will be presented to the Legislature for consideration.

FEDERAL CIRCUIT COURT OF APPEALS RULES LOCAL ZONING CAN BE REVIEWED

Overturing a U.S. District Court decision, the U.S. Sixth Circuit Court of Appeals has ruled in *Saginaw Housing Commission v. Bannum Incorporated* that federal courts do not have to abstain from cases involving local planning ordinances. While the U.S. Supreme Court has ruled that federal courts should abstain from reviewing cases that involve state policy, the new U.S. Sixth Circuit Court of Appeals ruling indicates that planning and zoning ordinances, while getting their authority from state statute, are really more of a local policy rather than a state policy. The decision could open up the federal courts to hearing land use decisions.

TOWNSHIP OFFICIALS INVITED TO GREEN BUILDING (LEED) MEETING – PLEASE NOTE DATE CHANGE

The U.S. Green Building Council (Detroit Regional Chapter) is hosting a meeting for local government officials on **Thurs., Sept. 17, 2009**, (rescheduled from Wed., Sept. 9, 2009) 9-11 a.m. about "LEED and the Benefits of Green Building for Municipalities." Learn about how LEED (Leadership in Energy and Environmental Design) transforms the way buildings and communities are designed. The meeting will be at the Engineering Society of Detroit, 20700 Civic Center Dr., Suite 450, Southfield. If you plan to attend this free seminar, please contact Elana Shelef at 248-353-0735, ext. 119 by Aug. 27. More information can be found at <http://drc-usgbc.org/>. ***END***