



Legislative Week in Review

Michigan ROUNDUP

- The Senate passed Republican-sponsored **property tax relief** legislation that the Senate Fiscal Agency estimates will save taxpayers \$667 million this year, \$916 million in 1991, and \$1.2 billion in 1992. Under the plan, property assessments for school operating millage would be reduced from 50 percent of cash value to 40 percent by 1992, and the maximum homestead property tax credit would be raised \$200 in 1990, \$100 in 1991, and at least \$100 each year thereafter. Once the credit reached \$2,500, it would be increased by the inflation rate. Seniors would not have to pay school property taxes, and the phase-out of the credit for wealthier households would be eliminated. School districts would be reimbursed by the state for lost revenues. The plan does not address where the money would come from to fund the tax cut.
- Wayne County Circuit Court Judge Marvin Stempien has ruled that the City of Detroit can collect its \$58 million a year **utility tax** only until April 11 unless the legislature or the Michigan Court of Appeals allows the tax to continue. Stempien's original deadline for legislative action was March 27, but the legislature was unable to reach agreement on reinstatement of the tax. The House approved reauthorization, but in the Senate Republican leaders want the issue linked to property tax relief. Senate action prior to April 11 is unlikely, leaving Detroit with the sole option of obtaining another continuance from the appeals court. Stempien has scheduled a hearing for April 20 to address the issue of whether the city must refund about \$100 million it has collected since June 1988. The city has warned that as many as 1,000 police officers may be laid off if a refund is ordered.
- The House Appropriations Committee reported out the **supplemental appropriations bill** (HB 5278) for the current fiscal year. The committee bill differs from the governor's recommendation primarily in the appropriation for the Department of Social Services (DSS). The committee added \$75 million in general fund (GF) monies and \$198 million gross to the DSS budget, \$18 million and \$135 million more, respectively, than recommended by the governor. The total supplemental is \$262.8 million (\$73 million GF), \$180 million (\$16 million GF) higher than the governor's recommendation. The House is expected to take up the bill early next week.

Political News

- In a 6-3 ruling supporting a Michigan statute challenged by the State Chamber of Commerce, the U.S. Supreme Court this week upheld strict limits on **campaign spending** by corporations. In a decision applauded by the Federal Election Commission, the high court ruled that the free speech rights of corporations are outweighed by the public interest in restricting big-money influence over elections. The American Civil Liberties Union deplors the ruling as unfair discrimination against corporations, according to Associated Press reports. The court's decision applies only to elections for public office; businesses and others may make political contributions through political action committees, which keep detailed records and disclose contributors.
- Democrat George Crockett's announcement that he will not seek a sixth congressional term from Detroit's 13th District has sparked interest among a large field of contenders. Three candidates planning to bid for the seat even if Crockett had run will be joined by Detroit City Councilwoman Barbara-Rose Collins (who ran against Crockett in the 1988 primary) and State Rep. Juanita Watkins (D-Detroit). In addition to Watkins, the Detroit *Free Press* listed five other possibilities among state lawmakers, although none has yet announced: Sens. John Kelly, David Holmes, and Virgil Smith and Reps. Joe Young, Sr., and Carolyn Cheeks Kilpatrick. The three previously reported candidates for the traditionally Democratic seat are Michael Patterson, Charles Vincent, and John Peoples.
- A Battle Creek area attorney, Brad Haskins, announced this week his hopes to unseat U.S. Rep. Howard Wolpe, who is expected to seek a seventh term from the 7th District. Haskins told the *Lansing State Journal* that his first try at elective office would focus on issues because, "really, we agree on almost nothing."
- Marcellus Republican James Briney plans to challenge Sen. Harmon Cropsey (R-Decatur) in the 21st District Senate primary. A member of the St. Joseph County Board of Road Commissioners, Briney is also director of planning and economic development.
- A U.S. Census report released Thursday puts Michigan dead last among the 50 states in per capita federal spending. Data for 1989 show that slightly more than \$2,800 was spent for each of the state's 9.3 million residents. By contrast, top-ranking Alaska received \$5,680 per resident in federal money. Earlier this month, an unrelated report showed that from 1981-88 Michigan contributed \$56.3 billion more to the federal Treasury than was returned in federal funding.