

Michigan ROUNDUP

....Governor Blanchard has proposed a \$200 million property tax relief program for homeowners earning less than \$50,000 a year. The program would be financed mainly by raising taxes on banks and insurance companies, taxing lottery winnings and active military personnel, ending property tax relief for households with incomes above \$50,000, and eliminating some tax credits for utilities. Under the plan, the State would pay 10 mills on the first \$10,000 of a home's assessed value, providing either a \$100 state income tax credit or rebate. Approximately two million households, or about 90 percent of those owning homes, would be eligible.

....Quick approval of the governor's property tax relief plan does not seem likely. The plan is criticized for increasing taxes on banks and insurance companies, and there are other complications. To gain Republican support, House Speaker Gary Owen intends to tie the governor's plan to the Senate-passed bill to reduce the income tax rate to 4.4 percent. Senate Majority Leader John Engler says that by combining the issues Owen is "holding the income tax cut hostage." The House is not expected to approve the lower income tax rate until the property tax plan is approved by the Senate, which appears unwilling to do so. The result is a stalemate; at stake is property and income tax reform totaling \$378 million. Passage is further complicated by suggestions to incorporate school finance reform and the elimination of some industrial property tax breaks into the property tax relief plan.

....The Senate approved and sent to the House legislation to raise the speed limit to 65 mph on rural interstate highways and to prohibit the use of radar detectors.

....U.S. Secretary of Education William Bennett accused Michigan and three other states of failing to make improving education their first priority. Bennett criticized the State Board of Education for no longer requiring local school districts to administer the science section of the annual Michigan Educational Assessment Program examination. The test, given to fourth, seventh, and tenth graders, included a science test passed by less than 35 percent of those tested last year. Some educators are reluctant to require the science test until they can determine if the results show that science instruction is inadequate or the test is too difficult.

....General Motors Corp. maintained its place atop the 1986 Fortune magazine list of the nation's 500 biggest industrial corporations. Nineteen other Michigan-based companies appeared in the list; sixteen improved their ranking.

....Oakland County Prosecutor L. Brooks Patterson will decide soon if he will oppose incumbent Daniel Murphy in the 1988 Oakland County Executive race. Some Republican party activists have tried to discourage Patterson from running against Murphy, fearing a primary would divide the party and open the door for a Democratic win.

....The U.S. Senate unanimously passed a welfare reform bill, sponsored by Senator Edward Kennedy, that would give cash bonuses to states that place long-term welfare recipients in private or unsubsidized jobs. Kennedy says the bill targets parents who have been on public assistance for two years or more because they are "the most needy and expensive of the poor."

....New York Congressman Jack Kemp announced his candidacy for the GOP presidential nomination. He joins Alexander Haig, Jr., former secretary of state, and Pete du Pont, former governor of Delaware, as official candidates for the party's nomination.