



Michigan ROUNDUP

Legislative Week in Review

....State Treasurer Robert Bowman Wednesday explained the **Governor's school finance/property tax reform** proposal to the House Taxation Committee. The plan, backed by House Democrats, would

- exempt from school operating millage the first \$15,000 of state equalized valuation (\$30,000 market value) of real and personal property of residents and businesses, saving the average homeowner \$500 a year, according to Bowman;
- raise the sales tax to 6 percent from 4 percent, dedicating 24 percent of the new revenue to the school aid fund and the rest to school districts to replace revenue lost due to property tax reduction; and
- allocate to the school aid fund all net revenue and investment earned by the lottery, all beer and wine taxes, the first 8 percent of excise taxes on liquor (up from the current 4 percent) and 18 cents of the cigarette tax (up from the current 16 cents).

Bowman said that homeowners would receive property tax cuts totaling about \$1.1 billion and businesses about \$100 million. The sales tax increase would produce about \$1.5 billion for schools, \$500 million in new revenue. Opponents of the proposal say that it does not include a provision to reduce funding inequities among school districts and that the \$15,000 property tax exemption would be almost no help to large businesses having extensive property holdings.

....After lengthy debate, the House Thursday passed a bill to spend proceeds from an **\$800 million bond issue**. The legislation earmarks \$125 million for economic development, \$150 million for recreation, and the rest for environmental projects.

Political News

....The State Board of Canvassers has certified that petitions filed by the People's Campaign for Choice contain enough valid signatures to require an election on whether to enact a legislative ban on **state-funded abortions**. Canvassers, who certified 194,897 signatures (119,829 were needed), will meet within 30 days to approve ballot wording for the November 8 election. The legislature enacted a ban on state-funded abortions following Right to Life of Michigan's successful 1987 petition drive. As a citizen-initiated law, it was not subject to gubernatorial veto. Governors Milliken and Blanchard had vetoed legislative attempts to cut Medicaid spending for abortions 16 times since 1973. The Right to Life ban was to have taken effect March 30, but Attorney General Frank Kelley ruled that the filing of petitions by the People's Campaign for Choice was adequate to delay implementation until signatures were validated. Now that signatures have been approved, the question will be decided in the November election.

....**Oakland County Prosecutor L. Brooks Patterson** said Wednesday he would not seek a fifth term. He will join a southeast Michigan law firm on January 1. Patterson, prosecutor since 1972, suggested that his chief assistant, Richard Thompson, would be the best candidate to replace him. An unsuccessful candidate for the U.S. Senate, attorney general, and governor, Patterson has twice led failed petition drives to institute the death penalty.

....Massachusetts will become the first state to **guarantee health insurance** to all residents. Gov. Michael Dukakis received legislation Wednesday that over four years will introduce health care coverage to the 600,000 uninsured among the state's 5.8 million residents. Funding for the program will come from a combination of copayments from those who can afford them, state funds, and fees imposed on businesses.