

Michigan ROUNDUP

May 28, 1992

Legislative Week in Review

- **Bipartisan 1992-93 revenue estimates** announced this week are \$142 million less optimistic than earlier administration projections. The Engler administration and the fiscal agencies of both legislative chambers agreed on a general fund-general purpose and school aid fund estimate of \$9.98 billion, which is 6.1 percent above their consensus estimate for FY 1991-92. That fiscal year's base has been sharply reduced to reflect the reality of recession, thus paring the 1992-93 estimate that had earlier been set at \$10.13 billion. Appropriations bills will be revised in conference committees either to conform to—or conspicuously depart from—the new projections. Public Sector Consultants estimates that 1992-93 revenues will fall about \$100 million below the current projections, with expenditures exceeding anticipated levels. This will produce a shortfall of about \$300 million, assuming no reversal of any of the one-shot gimmicks used to balance the current-year budget.
- The effect of these figures was reflected by the House Appropriations Subcommittee on **School Aid**, which this week reported out its version of SB 226, setting budgets for K-12 school aid and the Public School Employees Retirement System (PSERS). The gross total of the school aid bill was \$68 million above the governor's recommendation and virtually unchanged from the Senate's version. However, the GF-GP appropriation was \$214.6 million above the executive recommendation and nearly \$97 million above the Senate version. The House's increase in the Senate-recommended total was due mainly to a \$51-million reduction in estimated FY 1992-93 school aid revenues and removal of Senate language assuming tax revenues from out-of-state mail orders and telephone calls. The school aid formula was recommended at the same level as last year (\$335 plus \$94.38 per mil) in both chambers. The legislature has rejected the executive recommendation to eliminate the social security categorical and redirect those funds to enrich the formula. The House subcommittee action on the PSERS budget boosted funding by \$102 million over the Senate-recommended total.
- The once-ubiquitous **cigarette vending machine** in building lobbies would become a relative rarity under HB 5017 passed Wednesday by the House. After heavy debate and a reconsideration vote, the measure to restrict cigarette machines to establishments whose business is at least 90 percent liquor sales passed 99-3.
- Governor Engler signed into law Thursday a long-debated bill originally aimed at halting **gender discrimination** at golf clubs. As enacted, the measure covers sports, boating, and dining clubs and was signed at a Lansing country club currently hosting a national tournament of 141 professional women golfers. Religious-based clubs are exempt from the new law.
- As the leadership of a **gubernatorial recall** group revives its efforts to unseat the incumbent, the Senate this week passed a measure sunsetting such groups' efforts. SB 905 bans the filing of recall petitions during the last six months of an official's term, unless the incumbent is serving a one-year term.

Political News

- The Democratic **property tax cut** initiative petition died quietly last week when party leaders confided they could not afford what likely would be a long and costly legal fight to put their proposal on the November ballot. A partisan deadlock on the Board of State Canvassers—despite the staff's positive recommendation—dooms the proposal's certification without a court order. Some Republicans, whose "Cut and Cap" property tax initiative won canvasser's approval months ago, crowed that the Democrats had thrown in the towel on their alternative proposal. In related news, a rival tax-cut initiative plan thought to be dead has received a July 9 hearing date from a federal judge. At that time, members of Richard Headlee's taxpayer group will argue that their proposed 20 percent property tax cut is being illegally kept off the ballot. The canvassers' board earlier ruled that the group lacked sufficient valid signatures. State officials unsuccessfully argued that the federal court lacks jurisdiction in the matter.
- In other **petition drive** news, AAA of Michigan officials claim the success of their signature-collecting efforts has been "staggering." Gannett News Service reports that AAA has gathered more than 400,000 signatures—twice the required minimum—to gain a place on the fall ballot for its proposal to reform the state's no-fault auto insurance law. Names have been gathered in less than two months by placing petitions in the organization's 35 branch offices and binding them into *Michigan Living*, the AAA magazine, which has a circulation of over one million. Officials say they will wait until June 9 to present the petitions, permitting the legislature to resolve the issue before taking it to the electorate on an initiative petition.