



## Michigan **ROUNDUP**

### *Legislative Week in Review*

- Governor Blanchard remains hopeful that his proposal to shift a portion of **school property taxes** to the sales tax, defeated in the House on Thursday, will spring to life again when the new legislative session begins in January. Despite the governor's plea for its passage, Democratic leaders in the House opposed his plan after meeting with Michigan State Chamber of Commerce lobbyists, who refused to say whether they would recommend its approval by voters. Senate Republicans, who reluctantly backed Blanchard's proposal to cut school property taxes by 25 percent on homesteads and 10 percent on businesses and increase the sales tax from 4 percent to 5 percent to make up the lost revenue, said they might devise their own plan to reform school finances and circulate petitions to have it come before voters instead of seeking approval for a special election from the legislature.
- **Low income senior citizens** whose **annual medical expenses** exceed 5 percent of income will be able to claim income tax credits of up to \$600 under a bill approved by the legislature Thursday. The state would recapture part of the estimated \$60 million annual cost of the program by imposing the income tax on lottery winnings.
- The legislature has approved several measures to combat the spread of **AIDS**. One would require people convicted of prostitution, rape, gross indecency, and intravenous drug use to undergo tests for AIDS viruses. Another would set criminal penalties for people with AIDS who fail to warn sex partners that they are infected. A third would quarantine in mental hospitals AIDS patients who refuse to change promiscuous sexual practices.
- Governor Blanchard's proposal to give **small businesses** a profits-based alternative to the value added single business tax has won legislative approval. The measure would let qualified small businesses decide each year whether they want to pay the SBT or a 4 percent tax on profits and would guarantee that a small business making no profit would pay no SBT.

### *Political News*

- Former Michigan Democratic Party chief **Rick Wiener** has launched a major campaign in the nation's capital to push his candidacy for chairmanship of the national Democratic Party. Wiener met this week with Democratic members of the Michigan congressional delegation and their staffs, receiving a ringing endorsement from Rep. John Dingell (D-Trenton). Wiener's former assistant chairman in Michigan, Jeff Ely, has resigned from the staff of the Democratic National Committee to run Wiener's campaign from its newly established Washington headquarters. Wiener's chief rival is Ron Brown, former campaign aide to U.S. Sen. Edward Kennedy (D-Mass.) and an associate of Rev. Jesse Jackson. Brown has received an endorsement from Joel Ferguson, a Lansing businessman who ran Jackson's successful Michigan primary campaign. Detroit Mayor Coleman Young is reportedly leaning toward Brown. Governor Blanchard has not yet made known his choice. The Democratic National Committee will choose its chair in February.
- Preventing a major political squabble, Republican National Committeeman Peter Secchia has persuaded Grand Rapids businessman Chuck Yob to drop his candidacy for chair of the Michigan Republican Party, clearing the way for the re-election of **Spencer Abraham**.
- Republican **Robert McDonald** has filed a petition with the Secretary of State asking for a recount in the 74th Michigan House District election he lost to **Rep. John Maynard** (D-St. Clair Shores) by 347 votes of 34,332 cast.
- People who make monetary donations to **community foundations** that provide grants for cultural, educational, health, and social programs will be able to claim income tax credits of up to 50 percent of their contributions under legislation sent to the governor for his signature Thursday.