



Public Sector Consultants

## Michigan ROUNDUP

### Legislative Week in Review

....The legislature and governor reportedly have reached agreement on taxing domestic insurers, raising the state income tax personal exemptions, and the 1987-88 budget. The increased taxation of domestic insurers will take the form of a higher retaliatory tax, the income tax exemption will be increased to \$2,000 in 1988 and to \$2,100 in 1989; and there will be a .75 percent across-the-board cut for all departments. Final action could come next week.

....A six-bill transportation funding package was sent to the governor after final Senate and House approval. The bills would raise \$109 million from increased license and registration fees to be used to improve roads and create the Transportation Economic Development Fund for local projects.

....The House and Senate negotiated all day Friday on emergency financing legislation for Wayne County. The final agreement is likely to include a repeal of limits on county fees, such as court fees; a tax on parking near Detroit Metro Airport; a revision in the financing of indigent health care; an increase in the cigarette tax; and a tax on computer software.

....The Senate and the House approved and sent to the governor legislation (SB 297) to regulate the low-level radioactive waste siting process. Under the bill, a newly established Radioactive Waste Commission would select its first choice, along with two alternates, for a low-level radioactive waste site. The legislature could then reject the choice and choose one of the alternate sites within thirty session days. If it failed to do so, the commission would choose one of the alternates.

....Two key supporters of the Jack Kemp presidential campaign--Republican state Senator Richard Posthumus and state GOP vice-chair Lorraine Thomas--abandoned a coalition of Kemp and Pat Robertson supporters to join backers of George Bush in the debate over GOP convention delegate rules. Posthumus and Thomas will side with the Bush organization's stand on the rules, which, following a recent court decision, will give Bush stronger representation at the GOP state convention. In return, the Kemp camp reportedly will receive enough delegates to finish a strong second at the convention, behind Bush and ahead of Robertson. Ironically, Jack Kemp is opposed to the maneuver by Posthumus and Thomas, saying that if Bush wins, it will hurt both his and Robertson's campaigns. The state GOP is scheduled to meet Saturday, December 12, to vote on proposed changes in the delegate selection rules that would restore the advantage to the Kemp/Robertson coalition.

....The Department of Social Services (DSS) announced a plan, which would take effect in January, to require landlords receiving rent payments directly from the DSS for welfare recipients to comply with housing standards. Affected landlords would be required to sign an agreement allowing a housing inspection. If a building is below standards or the landlord does not agree to make repairs, the DSS will stop payments to the landlord. Instead, the welfare recipient will be sent the rent payment and can choose to move or negotiate with the landlord. The intent of the plan is to prohibit landlords from providing substandard housing when the tenant does not have the option of stopping payments to negotiate for better conditions.

....The Blue Cross and Blue Shield of Michigan board of directors named Richard Whitmer as acting chairman and chief executive officer, replacing John McCabe.