



AROUND THE DOME

Advocacy Day Draws Legislative Leadership

In what has become an annual success for BOMA, the Lansing Advocacy Day was well attended by BOMA members and drew many Legislative Leaders. Scofes & Associates Consulting was successful in getting presentations from Lieutenant Governor John Cherry, along with Seventeen legislators, including House Tax Policy Chair Kate Ebli, Senate Finance Chair Nancy Cassis, and Majority Floor leaders from both chambers, Senator Alan Cropsey and Representative Kathy Angerer. BOMA members had the opportunity to introduce themselves to the participants as well as address many of the concerns regarding their issues with each of the participant.

BOMA President David Mott, and Government Affairs Committee Co-Chair Greg McDuffee led the questioning of the key Legislative leaders and led the discussion to educate the legislators on BOMA's positions. The primary focus of discussion was on the Michigan Business Tax (MBT) Surcharge, the treatment of foreclosures under the MBT, energy sustainability issues, and proposed solutions to the Supreme Court's WPW decision. All members had the chance to participate in the discussion and the legislators were very generous with their time.

*BOMA issues addressed were carved out into three primary areas of concern: **Tax, Government Efficiencies and Green/Sustainability.***

TAX- Michigan Business Tax—BOMA supports a broad-based business tax employing a low-rate business income tax that treats real estate consistent with other businesses and fosters a positive business climate to promote positive growth in Michigan. BOMA believes the MBT negatively effects the value of commercial real estate and therefore ultimately lowers tax revenues to local governmental units as well as hampers efforts to attract out-of-state investors. BOMA does support mitigating the ill effects of the MBT on commercial real estate by eliminating the 21.99% MBT surcharge; providing for an unlimited carry forward of negative Adjusted Gross Receipts; allowing for Common Area Maintenance to be deducted from Gross Receipts; including Real Estate in the definition of "purchases for other firms"; extending the 10 year Investment Tax Credit and; exempting foreclosures from MBT.

Commercial Property Taxes—BOMA strongly opposes any plan to create a new Commercial Property Tax Act which would recklessly expose commercial properties owners to property tax increases while also eliminating the property tax protections passed under Proposal A and create a de-facto split roll tax. However, BOMA does support addressing the inequities produced as a result of the WPW decision of 2000 by passing common-sense property tax reforms.

Government Efficiencies- Tax Tribunal—BOMA strongly supports common sense reform in government. Efficiency and expediency in the Michigan Tax Tribunal will ensure cases are heard and decided in a reasonable time. BOMA supports efforts to implement a system to encourage case management by the Tribunal; there is currently no enforceable accountability in the Tribunal and current backlog is as long as five years. This has hamstrung many property owners from re-investment in jobs and development by tying up millions of dollars in disputed property tax.

Green/Sustainability- BOMA supports sustainability and "green" building practices by utilizing proven technologies and operational procedures and by promoting environmental stewardship. We have long-recognized the social and economic burden that results from wasteful consumption particularly in the area of carbon-based utility costs. We take proactive positions on the use and management of natural resources, the proper treatment of hazardous waste and environmental risks, the promotion of air quality (indoor and outdoor), the implementation of "green" purchasing practices and in targeting the reduction of greenhouse gas emissions.

Advocacy Day has become an event that many legislators now look forward to, as several legislators have addressed the group for several years in a row. The opportunity to address issues specific to commercial real estate with the full attention of policy makers is vital to the industry having their positions considered when public policy is formulated. To reinforce the positions presented to the legislators, all participants were given a parting gift of a 2 Gigabyte flash drive, conveniently containing policy positions of BOMA, giving our guests the opportunity to review our policy positions at length and in detail.



One final presentation of interest was from, Michigan Capitol Committee Executive Director, Steve Benkovsky (a former BOMA member) who discussed energy consumption, green initiatives and maintenance surrounding Michigan's Capitol Building.



Further information can be found on the BOMA website at www.bomadet.org for more information on Scofes & Associates Consulting, www.scofesconsulting.com