



AROUND THE DOME

Declining Revenues Stall Budget Deals

Anticipating State of Michigan tax revenues to be \$2 Billion less for the 2009-2010 fiscal year, legislative leadership has taken the difficult task of setting spending targets to balance the budget. Governor Jennifer Granholm, Senate Majority Leader Mike Bishop and House Speaker Andy Dillon meet last week to see if an agreement could be reached on where funding for each individual appropriations bill should be set. Individual Appropriation Sub-committee Chairs were given their marching orders, but what resulted were surprisingly different results.

The Senate bills that were passed this week were a demonstration of what it would take to balance the budget if the state refused to accept federal stimulus money. The House budgets were passed with the assumption that the state would be receiving the federal cash. The result is that the house and senate versions of the bills are significantly different, thus likely forcing most of the budget bills into conference committees. With the State economy likely to get worse before it gets better and the appropriation budget bills being millions of dollars apart, it looks like were in for long hot summer in Lansing.

WPW Legislation Passes the House

On a near party line vote HB 4456(H-1) passed out of the House with 69 yeas, and 38 nays. This bill attempts to restore tax hikes that result from assessment increases above the proposal A cap due to an increase in building occupancy levels. Several attempts have been made legislatively to redefine the terms "increases" and "losses" for commercial property tax values in an attempt to help increase revenue for local municipalities. BOMA has vigorously **opposed** this legislation as unconstitutional and retroactively increasing assessments on commercial property.

The entire "no" vote was from Republicans, including the Minority Leader Kevin Elsenheimer. The issue was discussed in the Republican Caucus ahead of time with Representatives Calley and Lund urging a no vote. The Democratic Caucus took their lead from the Municipal governments and the City of Southfield, as well as a desire to support a freshman caucus member, bill sponsor Representative Vincent Gregory. The strong Republican "no" vote in the House will be very valuable in helping Sen. Cassis to stick with her previously stated position of not moving the bill.

The "Around the Dome" newsletter is written monthly by BOMA's Michigan lobbying firm Scofes & Associates Consulting (S&A) for BOMA members to be aware of key issues in Lansing. In addition, S&A is monitoring top issues identified by the Government Affairs Committee. If you have comments on the newsletter or BOMA issues, please direct them to GAC Chairs Gregory McDuffee at Gregory_McDuffee@DWJBA.com, John Sier at John.Sier@Kitch.com or Janet Langlois at JLanglois@bomadet.org. We welcome your comments and questions on BOMA advocacy issues.