

BOMA of Metro Detroit



Lansing- The budget deadline is now 8 days away. Democratic House Speaker Andy Dillon and Republican Senate Majority Leader Mike Bishop have agreed on a budget deal and the conferees have been named. The next step in the negotiations is what cuts will be made to meet the \$1.2 billion deficit.

BOMA GAC is encouraged by the bi-partisan agreement. The GAC will forward a letter to Governor Granholm and Lt Governor Cherry to urge the continued spirit of cooperation. **Michigan cannot afford a government shutdown under any circumstances.**

Government Affairs in Review

BOMA representatives Scofes & Associates (S&A) testified before a hearing of the Michigan Office of Regulatory Reform to oppose the proposed rule changes for the Michigan Tax Tribunal. The proposed rule changes would substantially increase the fees for filing commercial cases before the tribunal, without providing any changes that would help expedite cases or eliminate the backlog.

The House Tax Policy Committee held a hearing on Rep. Gregory's latest reincarnation of the WPW bills, HB 4456 and 4457. Dan Gustafson from Scofes & Associates Consulting, Inc. (S&A) and Janet Langlois, presented strong testimony on behalf of BOMA against the bills. Due in large part to the negative response the legislation received, and the questions raised by the committee, no vote was taken. Following the committee hearing, Rep. Gregory asked interested parties to join him for a WPW work group on Thursday April 30th. At the workgroup, in which BOMA was represented by S&A, Rep. Gregory handed out a substitute bill for HB 4456, and asked the participants for their input. The substitute would keep commercial property in the General Property Tax Act, (not a separate tax roll). The Proposal A cap would remain in place. The bill would allow for loss due to occupancy rates to continue through the end of the year, but then going forward, not allow any losses or gains based on occupancy. After taking input from industry representatives including BOMA, the bill was passed out of committee unchanged. At this time the WPW bill impact has been marginal at this time as most appeals are based value.

David Schostak & Paula Goldman-Spinner lead the owners advisory group in discussion surrounding the significant impediments to business investment in Michigan. The purpose of the meeting was to strengthen our voice and to communicate and to protect the interests of our industry in Lansing.

Legislator Meetings

Sen. Mike Bishop: S&A set up and joined a BOMA delegation to meet with Senate Majority Leader Mike Bishop in his district in Rochester. Although he arrived late, the Senator gave us ample time to explain our positions on several legislative issues. Our primary concern was that he remains resolute in opposing the WPW legislation and not trade away the issue on some last minute back room negotiation. We also discussed the foreclosure legislation HB 4421 and SB 610 which would allow commercial realtors to put a lien on property if a commission was in dispute. Senator Bishop assured the BOMA delegation that he would keep our interests in mind and would talk later that day to Senator Cassis to make sure that they were on the same page.

Senator Nancy Cassis: A delegation of BOMA members had lunch with Senator Cassis and Senate Policy Advisor Howard Ryan to urge her not to take up the WPW legislation in her Finance Committee. Sen. Cassis has been a strong supporter of BOMA and again suggested that she had no intentions of moving on WPW. She did warn us however, that leadership can make decisions that she has no control over and urged us to meet with Senate Majority Leader Mike Bishop. As the Lunch progressed we had the opportunity to express BOMA's position on foreclosure legislation, the tax tribunal and Michigan Business Tax issues.

Nancy Cassis took the opportunity to express her concerns about the effectiveness of the Michigan Economic Growth Authority (MEGA). A bill that would increase the yearly credits for the current 400 to 500 and the high-tech agreements from the current 50 to 75 is pending in the Senate Finance Committee. Senator Cassis would like to reduce the revenue spent on the MEGA program to help fund the elimination of the Michigan Business Tax surcharge. The Governor predicts that the state's unemployment rate would continue to increase if the bill was not passed.

Rep. Kate Ebli: S&A meet twice with Representative Kate Ebli to discuss several issues including foreclosure legislation and WPW. Both meetings were productive and helpful in building a strong working relationship with the legislator. Although Rep. Ebli let the WPW legislation move out of her committee, she did express her concerns that the bill was not ready for passage, but that she was only moving it as a favor to a fellow caucus member. Rep. Ebli has agreed to establish a work group to explore the issues surrounding the foreclosure legislation and would like to work out the arguments before holding a tax policy committee hearing on the issue.

Rep. Jon Switalski: S&A has had several meetings and conversations with Rep. Jon Switalski concerning his Foreclosure legislation. We have offered him help and suggestions on how to best move his legislation forward.

Rep. Vincent Gregory: A BOMA delegation in met with Rep. Vincent Gregory at his district office hours. Rep. Gregory was receptive to our concerns on critical issues such as the back up in the tax tribunal but still feels an obligation to Southfield city officials to try and move the WPW legislation.

Rep. Lisa Brown: BOMA representatives had the opportunity to discuss the many legislative issues important to BOMA. Because of her experience as a realtor, she was quick to understand the issues surrounding the commercial real estate business. She has offered her assistance in supporting the foreclosure legislation and may help us oppose the lien legislation if it gets to the House.

Sen. Jason Allen: Senator Allen has introduced SB 610 that would allow commercial real estate brokers to file a lien on property if their commission is in dispute. S&A meet with Sen. Allen and asked him not to move his legislation. We informed him that there would be substantial opposition to the bill and that if he was really interested in

the issue that we could work with him other ways of fixing the perceived problem.

Rep. Vicki Barnett: Jim Jonas and Janet Langlois met with Rep. Barnett to discuss the business environment and the critical issues BOMA members face. She advocates a close look at our state's financial structure in order to find ways to increase efficiencies and cut costs, while simultaneously encourage new investment in our economy, maintain our infrastructure (roads, schools, etc.) and continue to provide essential services.

These efforts are made possible by BOMA's commitment to advocate for our industry and depend on your contributions to our PAC.

We hope that you will contribute \$25 to BOMA Michigan PAC and support business in Michigan-- the real estate industry has been and will remain one of the great catalysts for economic growth, and we need to assist the government leaders in recognizing this same concept and principle.

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BOMA Lansing Updates are provided by BOMA Michigan's lobbying firm Scofes & Associates Consulting for BOMA members to be aware of key issues and happenings in Lansing. If you have comments or questions regarding the BOMA Lansing Alerts or BOMA issues, please direct them to GAC Chairs John Sier at john.sier@kitch.com or Gregg McDuffee at Gregory_McDuffee@dwjba.com.

We welcome your comments and questions on BOMA advocacy issues.

Sincerely,

2009 Government Affairs Committee



BUILDING OWNERS and MANAGERS ASSOCIATION

