

REPLACE DON'T ERASE

April 18, 2012

Dan Gilmartin

Michigan Municipal League executive director and CEO:

Opening Statements:

We appreciate you coming out today to hear what the Replace Don't Erase Coalition has to say about pending legislation here in Lansing. ...The bottom line is we're here to talk about the plan for personal property tax in Michigan as it stands today. The plan as it was introduced in the Senate yesterday (April 17, 2012) and as will be debated in today's (Senate committee hearing) amounts to an absolute and certain cut of hundreds of millions of dollars to local communities, local schools, counties, including police, fire and libraries, in exchange for a promise. A promise that no one can compel any future legislature or governor to keep and, absent of a Constitutional amendment, would require a full replacement of local communities and schools revenues. There are no appropriations in these bills. These bills basically set up what is a so-called Personal Property Tax Replacement Fund. There are no appropriations for it, no one is compelled fund it, and 100 percent of the funds that are being thought of – in theory- to be allocated to this fund are from expiring tax credits that we have used in this state for a number of years with respect to economic development. Those tax credits may in the end expire, they may be renewed, there may be new tax credits coming out many at the local level, many at the business community. Certainly economic development officials around the state have called for new tax credits. So the thought that we're going to have these magical, expiring tax credits out there that are in some way going to provide for this stuff is just something that we don't feel very good about in terms of replacement. So with that I'm going to begin calling on a number of speakers we have today. We're joined by people from all walks of life, representing local units of government, counties, libraries, you name it, our first speaker is our host today in Lansing, the good mayor Virg Bernero.

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