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Public opinion sought on tax relief concept

By M.B. Dillon Ward
staff writer

State Rep. Sandy Brotherton, R-Farmington, is seeking public comment on a proposal that would provide \$1.16 billion in property tax relief for Michigan taxpayers.

Drafted by Rep. Roy Smith, R-Ypsilanti, the proposal would, according to Brotherton, "give adequate and real relief to a majority of Michigan's people while strengthening support for public education."

It stipulates substantial property tax cuts while raising the state's sales tax from four to five cents, with the in-

crease going to public education. "The proposal is not a tax trade; the state will be losing \$500 million," said Brotherton.

"It provides substantial net tax savings while earmarking funds for education."

THE AMENDMENT proposes:

- Exemptions for people 62 or older from all school operating taxes on residential property.
- Exemptions of 75 percent of taxes levied for school operations on homes and farms. Exemptions would increase with inflation.
- An increase in sales tax to five

cents on the dollar with revenues going to school districts.

• Complete reimbursement for each school district for any loss due to the exemptions, while holding public education harmless from any loss based on the previous year.

So far, the proposal is getting good response on a statewide basis from PTAs, school boards, teachers' associations and the Catholic Conference, an organization representing Catholic schools, Brotherton said.

"The proposal demonstrates the Legislature's perception of the unhappiness out there because of money paid into the system in the form of property taxes," Brotherton said.

"Due to the climate in the state, we've continued to work on reducing the reliance on property taxes without adversely affecting education."

BROTHERTON IS optimistic about the chances of the proposal becoming law, but sees possible difficulties.

"If the Legislature sitting at the time this would go into effect decides they don't want to absorb that revenue loss, they have the ability to raise the income tax to recover that money," said Brotherton.

"But it's my feeling that if the economy begins to improve at all by the end of this year, there's a good possibility the state could absorb it without any new taxes."

Brotherton also fears that as the proposal goes through the legislative process, "someone will tinker around with it, and will end up being totally different and unacceptable."

"It's life-sized right now, so Rep. Smith may have to get signatures and go the petition route. He may launch something in the spring and I kind of think it'll go through."

County tax snafu botches appeals

By M.B. Dillon Ward
staff writer

The right of Farmington homeowners to contest property tax rates has been jeopardized due to the failure of the Oakland County Department of Equalization to comply with state regulations.

By law, counties are required to submit data on sales reports to the state by Dec. 31 of each year.

It took the county until last Thursday to hand over its studies to the State Tax Commission.

"The deadlines are set for the protection of taxpayers," said State Tax Commission Chairman Bob Vandermark. "If counties comply, taxpayers can receive legitimate answers in time to take part in the appeals process."

TODAY IS the deadline for the State Tax Commission to submit final equalization values of Oakland County properties.

"They've put us in an impossible position," said Vandermark. "There's no way we could meet the deadline, so taxpayers won't know what their equalized values are until after the board of review."

The board of review consists of hearings set up by city councils and township boards on four fixed dates in March.

If taxpayers fail to contest property assessments at those hearings, they forfeit their right to appeal tax rates and the state equalized valuation of their property before a state tribunal.

Asked why Oakland County submitted its reports more than two months past the deadline, Vandermark said, "I wish I knew. I can't fathom it. I've been an assessing officer almost 19 years and have never seen anything like it. I have to admit we're puzzled."

There's no question that this could make taxpayers very angry."

HERMAN Stephens, manager of the County Department of Equalization, said it was impossible to verify sales during the last six months of 1981, compile and submit them to the state by Dec. 31.

"I don't see why they can't reopen the board of review," said Stephens. "The Legislature makes laws; why can't they change them?"

"Of the 83 counties in Michigan, only Oakland, Washtenaw and one other failed to meet the deadline," Vandermark said.

In reaction to that statement, Stephens said, "go ahead and print that. I can use it in court. The taxpayer is getting hit over the head right now, so I can see why the tax commission is grasping for a straw."

According to Farmington City Assessor John Sailer, assessments on Farmington residential properties will increase by 12 percent if based upon 30-month property sales reports.

The 30-month study, historically used in Michigan, has been advantageous to property owners in an increasing market because it allows assessments to lag behind current market valuations.

In a decreasing market, the 30-month study works to the property owner's disadvantage by maintaining higher assessments than current market values.

ASSESSMENTS BASED on 12-month sales reports, Sailer said, will prevent increases in assessments in Farmington this year.

Stephens contends an increase is inevitable either way.

Please turn to Page 4A



Running to victory

Mark Bowditch, North Farmington cager, was just part of the force which added another notch in the victory column for the Raiders. The Raider player

(left) sweeps by Garden City's Bob Kosowski during last week's 63-33 victory.

RANDY BONST/Staff photographer

To kill deficit

Community Center launches drive

The Farmington Community Center has set \$50,000 as its goal for this year's annual fund drive, acting to center executive director Betty Paine.

"Those associated with the center feel very strongly that this unique historical facility is a real asset to our community," she said in a recent letter.

"Many believe that we receive tax monies from the city. We receive no city funds. We receive no United Foundation support."

The center, which provides numerous activities and classes, began this year's campaign with a reception on Feb. 11. It will continue with an art

auction on March 6. Preview is at 7 p.m. and the auction is at 8 p.m. Hors d'oeuvres and champagne punch will be served throughout the evening.

Tickets are \$1. They may be obtained at the center which is located at 24705 Farmington Road north of 10 Mile.

Fund drive chairman Leon Serdyski says interest rates are making it more difficult to deal with the deficit.

"In the beginning, the center was able to break even, but a deficit has been accumulating during the past several years due to inflation, necessary

repairs and escalating operating costs," he says.

THE CENTER has a deficit of \$33,963 for last year. Its total budget for 1981 was \$127,062.

Approximately 50,000 people participate annually in center-related activities. More than 600 classes and workshops and 30 special events are planned each year for area residents.

Some of the events during the past year included a chamber music series, a farmer's market, Santa Luncheon, a Hanukkah celebration, art and craft show, children's plays and old-fash-

ioned ice cream social for senior citizens," he says.

Approximately \$90,000 of the center's budget was financed last year through fees collected for classes, benefits and rentals.

While many people are familiar with the center as a place which features classes for crafts and the art, the Georgian-style mansion can be rented for private events for family gatherings, anniversary parties, weddings and receptions.

A resale shop was opened a year ago as another source of income. Donations or consignments of clothing are welcomed.

Colleges map strategy for combating money woes

By Carol Azizian
staff writer

While many Michigan college officials are lamenting the "disastrous" effects of President Reagan's 1983 budget plan on their enrollment, officials from at least two local colleges are optimistically predicting their schools won't feel the brunt of the budget ax.

The president's proposal would eliminate 24 million college scholarships nationwide. It calls for a \$1 billion cut in the current \$3.4 billion federal guaranteed student loan program. And it proposes substantial cuts in most other college loan and grant programs for the fiscal year beginning Oct. 1.

More than 40 college presidents from across the state who attended a meeting Thursday at the University of Michigan concluded that "if the full cuts currently proposed by the Reagan administration are enacted, they will have tremendous impact on access to higher education for many American families."

The college presidents contend that the financial aid cuts would squeeze out thousands of students from lower- and middle-income families.

"MANY STUDENTS WON'T be able to attend higher-priced private colleges," said Richard E. Marburger, president of Lawrence Institute of Technology, after attending Thursday's meeting in Ann Arbor.

"But we don't expect our enrollment to go down significantly, because our tuition is so reasonable," he said.

LIT's enrollment went up about 9 percent this year. Tuition rates for full-time students this year are \$1,725. That is similar to the cost of education at the junior and senior levels in some public colleges, LIT officials contend.

Additionally, many LIT students commute to the school in Southfield and hold down either part-time or full-time jobs.

While some colleges say they will be devastated by the cuts, Oakland Community College stands to gain. Officials there say students who can't afford to attend higher-priced schools will choose community colleges.

OCC's enrollment has been rising steadily over the past three years, at a rate of about 10 percent per year, officials say.

"We may find more students knocking at our door because they won't be able to afford going to private colleges or larger public universities," said Spencer Johnson, OCC's financial aid director.

Tuition rates for full-time students at OCC are \$880 per year.

THESE COLLEGE officials concede, however, that many students who are shut out of financial aid programs may be shut out of higher education as well.

Other students may be forced to take fewer credit hours and work more hours in part-time jobs.

"Students from middle-income families will have to dig into their pockets," said Paul F. Kinder, director of student financial aid at LIT. "Some (lower income) students may be forced to go

back on the streets to find work if they no longer get financial aid."

About 90 percent of LIT's 5,700 students receive some form of financial assistance. All full-time students from Michigan are awarded a \$500 state differential grant yearly, Kinder said. That grant, which won't be affected by the budget cuts, is given to Michigan residents who attend private schools in the state.

At OCC, approximately 20 percent of the more than 20,000 students receive financial aid.

THE PROPOSED cuts would have the following effects on students receiving financial aid at the two colleges:

- It would reduce the Pell grants budget (for low-income students) from \$2.3 billion to \$1.4 billion. Maximum grants would be cut from \$1,800 a year to \$1,400. Nationwide, more than a million students would be cut from the program.
- At LIT, about 10 percent of the 600 students receiving the grants this year would not qualify next year. Only half of those students will qualify during the 1983-84 school year and they will receive less money than they did this year.

Kinder maintains that with rising tuition costs, the grants may not be

enough to cover expenses at LIT.

At OCC, about 3,000 students received the grants this year. Under the new proposal, many of those students may be forced to take fewer college credits which would disqualify them for the grant program, Johnson said.

• It would eliminate state student incentive grants and supplemental educational opportunity grants, designed for the neediest students. About 915,000 students across the nation receive aid through the two programs, including more than 400 students at LIT and OCC

(slightly more than 200 at each school).

• College work-study programs would be slashed by 28 percent, to \$397 million, and more than 250,000 students would lose job opportunities nationwide. LIT's program stands to lose about 30 students of the 100 who now participate. About 130 of the 500 OCC students who participate would be affected.

• The proposal also calls for an end to the national direct student loan program, eliminating low-cost loans to 266,000 students nationwide. About 200 LIT students now receive those loans.

Council allocates development funds

The Farmington City Council appropriated \$43,100 in community development block grant funds last week following public hearings Feb. 1 and 15.

Provided through the Oakland County Community Development Department, \$33,100 will be used for road improvements, \$5,000 for sidewalk and handicapped ramp construction, and \$5,000 for downtown beautification and rehabilitation.

According to City Manager Bob Deadman, several blocks on Grace and Adams Streets will be paved with as-

phalt; additional sidewalks will be built in residential areas, and curbsides will be removed to benefit the handicapped and senior citizens.

To date, 75 percent of the city's curbsides have been removed. Oakland County Community Development funds will cover costs for the removal of an additional 10 percent.

Beautification funds will enable the city to purchase trees in the downtown area and screening for rubbish containers within city parking lots and in the rear of buildings.

what's inside

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