Headlee says Oakland victory eases tax pressure

Homeowners can't expect property taxes to go down as a result of the victory Oakland County won last week in the lawsuit that will force the State of Michigan to give an additional \$400 million to local schools and governments annually, beginning in 1003.

ditional \$400 million to local schools and governments annually, beginning in 1993.

They CAN, however, expect to see a "lessening" of pressures calling for property tax hikes and possibly fewer votes on overriding the so-called leadlee tax limitations.

"This is the most significant, strategic fiscal policy change in recent Michigan history," claimed a joyful Richard Headlee (e. one of several dignitaries who celebrated settlement of the lawait at a press conference Thursday, "It's the end of the state's unconstitutional shell game."

Also celebrating at the festively-decorated headquarters of the Alexander Hamilton Insurance Co. in Farmington Hills were Gov. John M. Engler, Oakland County Executive Canalet T. Murphy and Commissioner Roy Rewold, chairman of the Oakland County Board of Commissioners.

ENGLER CALLED the settlement "a major victory for every Michigan taxpayer and family . . This means more tax dollars will be returned to local governments to be spent on schools."

one else close to the suit said they know where the money will come from or how it would be allocated

and spent.
"That's up to the Legislature,"

"That's up to the Legislature," said the governor.

The cause for the celebration is a consent judgment ratified by Oakland County commissioners earlier in the day. The judgment ends the lawsuit filed in December 1985, on behalf of Oakland County by its top officials, Murphy and Richard R. Willcox, who preceded Rewold as chairman of the board of commissioners.

sioners.

Essentially, the suit said the state of Michigan — specifically the Department of Mental Health and Office of Management and Budget — violated the 1978 Headlee Amendment and shortchanged local governments and schools.

ments and schools.

This was accomplished, according to the lawsuit, by a 1984 law changing the way the state computed the money it is obligated to return to local governments and schools under the Headlee Amendment.

The law deemed that money re-turned to local governments for mental health services — mandated by the state, but managed by local government — could be included in the 41.6 percent of its revenue the state is obligated to return to local communities.

By COMPUTING the money this way, the law suit claimed, the state

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'This settlement is a major victory for every Michigan taxpayer and family . . . This means more tax dollars will be returned to local governments to be spent on schools.

- Gov. John M. Engler on county's lawsuit victory

The state realizes two advantages by settling the sult out of court, the governor said. First, there is no re-troactive clause, meaning the state

paid local governments and schools less. Finding themselves with less money, schools and governments were forced to raise taxes.

"Only Oakiand County had the courage to sue on behalf of local governments and taxpayers," said Headles, referring to the fact that none of the other 82 countles in the state Joined in the suit — even though they stood to benefit from victory,

In November 1987, Oakland Circuit Jodge James Thorburn ruled in favor of the county, a decision that was uphed by a panel of the Michigan.

The case was pending in the Supreme Court when both sides agreed to the consent judgment Thursday,

"I've got a pretty good idea about how it would have come out," Engler said, referring to how he believes the state's high court would have ruled.

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won't have to go back and pay for previous years.

Second, the state has about 14 months in which to find ways of coming up with the money rather than paying out immediately as a court-ordered resolution might have required

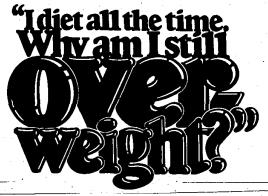
"WE (THE GOVERNOR and Leg-islature) have to fix the 1991 budget and then set the 1992 budget," En-gler said. "Then (for 1993) we can make sure the state is living up to its own constitution."

Headlee said he felt "personally vindicated" by the settlement. Neither Headlee nor Taxpayers United for the Michigan Constitution

were officially part of the lawsuit. But Headlee and other officers of the group — who initiated the 1978 Headlee tax admendment — were involved in negotiations.

"For over 10 years, two governors and numerous legislatures have illegally diverted millions each year from schools and local governments. In defense of their unconstitutional conduct, they have questioned the integrity of the leaders of Taxpayers United (for the Michigan Constitution).

"Today the courts, our governor and leading local government organ-izations have all agreed that this shell game was unconstitutional. I feel vindicated, and I feel great."



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Rex and Rita Saurus" challenge you and your family to sign on for the

Family Reading Challenge 1991.
The rules are simple: Read at least two books, two magazine articles and two newspaper articles between June 9 and Aug. 18 and discuss what you have read with a parent or guardian.

If you are between the ages of 5-12 and successfully complete the reading challenge, you By you are between the ages of 3-12 and successfully complete the reading chainenge, you will qualify for a nationwide drawing Sept. 6 for thousands of neat prizes. You could win an IBM Writing to Read Laboratory for your school and an IBM PC for your family, Rex and Rita Saurus hand puppets, bicycles, World Book encyclopedias and much more! Look for an official entry form in this newspaper throughout the summer.

Also watch this newspaper each week for enjoyable summer reading activities that will help you and your family read and use the newspaper together.

Rex and Rita Saurus, the "world's leading reading dinosaurs," hope that you will read MORF than just two books, two newspaper articles and two magazine articles this summer. Because Rex and Rita know that "Winners Read and Readers Win."

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Family Reading Challenge 1991 Entry Form Yes! I have read at least: → 2 newspaper articles ☐ 2 books → 2 magazine articles

Please register me for the Sept. 6 drawing of awards. The grand prize this year will be an IBM Writing to Read Laboratory for the young reader's school, and an IBM PC for his of the family. Other awards will include Rev and Rua hand puppers and shirts, World Book encyclopedias, books, buyeles and more!

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and discussed them with my parent(s), guardian or other adult,

1. You must be 5-12 years old to enter. Only one entry per child.
2. Print clearly or type the information on the entry form.
3. Entries must be squeed by you and an adult and postmarked by Aug. 19. The drawing will be held.
3. Sept. 6, 1991. Winners will be neithed by mail.

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