## School tax plan hits most local districts hard

Suburban school districts are in for a period of belt-tightening, regardless of voters' action in a June special election on school

June special election on school financs.

Hardest hit will be out-of-formula (westliky) districts. Tax bills for people in wealthy districts will drop the least, and all schools will have to pay all Social Security and retirement costs from money raised locally.

"You're getting less, no matter what happens," House Taxation Committee chairman Willis Bullard, R. Highland, warned Michigan Education Association members.

"Out-of-formula schools get less. It's like blackmail," said Bullard of the forthcoming referendum on raising the constitutional limit on the sales tax by 50 percent, from 4 cents to 6 cents on the dollar.

Bullard said lawmakers would prepare two school aid bills in Avery and the world and warned and Many while waiting for

Bullard said lawmakers would prepare two school aid bills in April and May while waiting for the outcome of the special June election. One bill will figure in the sales tax increase, the other won't. "I call it damage control," said

## House OKs key points

Here is the outline of the compromise legislative plan endorsed by Gov. John Engler and adopted Tuesday by the House of Representatives. Next stop: the Senate. The purposes are to cut property taxes, limit assessment increases and bring equity to public school funding. Itoms labeled "constitutional amendment" must be approved by voters. Eleduce school operating property taxes to 18 mills statewide by constitutional amendment."

constitutional amendment. School boards in impacted areas could levy 9 mills more. Voters could authorize up to 27 mills. Current statewide average: 34.6

Current statewide average: 34.6 mills.

Raise sales tax from current 4 percent to 6 percent by constitutional amendment. After Oct. 1, new sales tax revenue would be constitutionally dedicated to the school aid fund.

E Guarantes 54,800 per pupil in every school district. It would be phased in: No district would have less in 1994 than in 1993; no district would receive more than a 10 percent increase per year. Districts would have to pay their own Social Security and retirement coats from their basic grants — no state payment.

costs from their basic grants — no state payment.

Limit property assessment increases by parcel.

Net tax impact: a cut of about \$200 million.





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LOWEST TEES

Rep. Jan Dolan, R-Farmington Hills, whose district would see just a modest property tax cut. "It's the difference between get-ting killed and getting badly bru-ised."

ised."

As Dolan saw it, if Farmington schools don't take the bit on the property tax cut proposal, they'll take it in legislative finance bills.

Unionized teachers in high-paying suburban districts may face cuts. "There'll be strikes," Dolan predicted.

Two measures pass
After a 14%-hour session, the
House carly Wednesday passed
two measures: One gives more
money to poor districts, the other
works the greatest tax shift Michigan has seen since the first sales
tax was passed in the Great De-

tax was passed in the Great De-pression.

The House version of Senate Bill 146, the property tax cut, was adopted on a 96-0 vote.

House Resolution G, the sales tax referendum, won on a 74-22

vote, one vote more than the two-thirds needed to put it on the bal-lot. Thirteen members either were absent or left the chamber before final action at 2:30 a.m. All area members from Oak-land County voted yes on both SB 146 and HJR G. Both measures go to the Sen-ate, where passage may come more easily than in the deeply-di-vided House.

If voters say yes, here is how taxpayers in Observe & Eccentric school districts would fare under the proposed property tax cut, with current tax rea shown first, 1994 rate next and net cut last:

8 Avondale — now 32.9 mills, to 27. cut of 5.95.

8 Birmingham — now 27.67 mills, to 27. cut of 0.67.

8 Birmingham — now 24.84 mills, to 24.84, no cut.

8 Clarenceville — now 41.4 mills, to 27, cut of 14.4.

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