Communities say bill would make it too easy for businesses to leave

BY TIM RICHARD

Cities in southeastern Michigan are putting the heat on Gov.
John Englor to veto a bill they say grants too much power to "pirato" communities to lure away business.

An Engler spokesman said the governor will sign Senate Bill 733 by the end of the week.

"There are 60 communities with local enterprise zones," said Paul L. Tait, executive director of the Southeast Michigan Council of Governments as he spread word of the veto effort.

The target bill began life as an effort to ease taxes on charitable trusts but was amended in the House.

As Farmington Hills Mayor Aldo Vagnozzi put it in a letter to Engler: "The measure can lead to the pirating of businesses from one community to another without the safeguards that the benefits will go to communities with need."

'Sneak attack'

'Sneak attack'

He likened lawmakers' tactics
to a "sneak attack" because thy
bypassed the normal committee
process. Vagnorzi quoted frem
the House Republican scartaff which said, 'This bill does
other legislation offering tax
breaks for locating in distressed
areas ... This bill does not allow
local government units to exersuch influence when businesses
leave their area ... "Any of these municipalities

"Any of these municipalities

"Any of these municipalities (those seeking to lure businesses

newly acquired personal property) can establish a new industrial development district by resolution. In addition, it is not that difficult to declare an area distressed, so more local government units may follow ...

"This bill does not restrict the exemption to new personal property exempt under PA 198 (the industrial facilities tax), for example, could be moved into a new exempt district when its current exemption expires and maintain the property's exompt status."

Rochestor Hills Mayor Konwert of the same day, the Sconcurred in House amends on 31-2 vote with four absence of the same day, the Sconcurred in House amends on a 1-2 vote with four absence of the same day, the Sconcurred in House amends on a 1-2 vote with four absence of the same day, the Sconcurred in House amends on a 1-2 vote with four absence of the same day, the Sconcurred in House amends on a 1-2 vote with four absence of the same day, the Sconcurred in House amends on a 1-2 vote with four absence of the same day, the Sconcurred in House amends on a 1-2 vote with four absence of the same day, the Sconcurred in House amends on a 1-2 vote with four absence of the same day, the Sconcurred in House amends on a 1-2 vote with four absence of the part of the p

exemption expires and maintain the property's exempt status."
Rochester Hills Mayor Konnoth Snell had a similar complaint. "Under current laws," he said, "when a company wishes to relocate jobs in order to receive a tax abatement from another community, the 'host' community must review and approve the relocation. Rochester Hills has been the recipient and giver of such company moves ... In fact, we've naver refused such an employment transfer...
"SB 733 would allow communities to lure companies without this approval step. This bill will create unfair results and long-term liabilities for all communities," he said, urging Engler to veto it.

Passed in February

Passed III February
SB 735 possed the Senate Feb.
25 on a 37-0 vote. On May 27 it
was reported out of the House
Tax Policy Committee, headed
by Rep. Kirk Profit, D-Ypsilanti.
But on July 3, it was amended
several times on the House floor
and passed 61-20.

lead to the pirating of businesses from one community to anoth-

Aldo Vagnozzi -Farmington Hills mayor

On the same day, the Senate concurred in House amendments on a 31-2 vote with four absent. The bill allows the governing body of a local assessing unit (city or township) to exempt "all new personal property of an eligible business located in an eligible district."

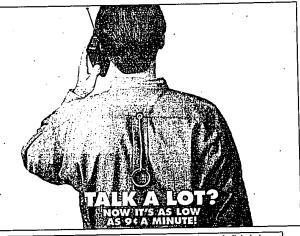
ble district."

It says the state treasurer, with the written concurrence of the Department of Michigan Jobs Commission, shall advise the State Tax Commission as to whether exempting the new personal property of the eligible business is necessary to reduce unemployment, promote economic growth and increase capital investment in the state."

Flighble districts to receive

Eligible districts to-receive such investment in the state."
Eligible districts to-receive such investments include industrial development districts under PA 198 of 1974, "rennissance zones" under a 1996 law, "enterprise zones" under a 1986 law, "brownfield development zones" under a 1986 law, "enterment zones" under tel 1986 federal Internal Revenue Codo "tax increment finance authority" zones under a 1980 law, an authority district under the Local Development Financiag Act of 1986, and a "downtown development district" under the 1975 law.

Seeking entertainment? See Section E



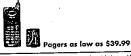
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Summer enrollment climbs at OU

Oakland University's summer enrollment climbed almost seven percent compared to last sum-mer's total, beginning a fifth con-secutive year of growth in overall enrollment.

Summer 1998 enrollment totaled 4,338 compared to last year's 4,071.

The gain follows an increase to 6,703 in spring 1998 enrollment, which was up 1.5 percent compared to spring 1997's total of 6,605. Winter 1998's head count

Football returns! See sports, Section C

of 13,295 is OU's highest winter enrollment total ever, up from 13,075 in winter 1997.

Oakland's highest enrollment total ever was 14,379 students in fall 1997.

Major renovations and improvements also mark the most active construction period on campus since the university's

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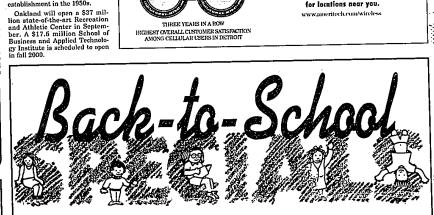
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