

House Democrats face utility tax decisions

By Tim Richard
staff writer

House Democrats in Lansing must decide what price they want to pay for Senate Republican passage of a 5 percent utility tax for the city of Detroit.

"Some sort of package has to be worked out if this bill is going anywhere," Sen. Norm Shinkle, R-Mich., chair of the tax-writing Senate Finance Committee, warned recently.

Meanwhile, Sen. Doug Cruce, R-

Troy, held the GOP line by arguing there was "no urgency" to pass the utility tax, which is earmarked for 1,000 police salaries. Cruce said Detroit Mayor Coleman Young "prefers to pay for Uzi machine guns and bulletproof shields on his patio," and Detroit councilmembers prefer new cars for themselves, over keeping police on the payroll.

In the middle of it, Sen. Richard Fessler, R-Commerce, incurred the wrath of his caucus by siding with Democrats in an unsuccessful bid to force the Detroit tax out of Shinkle's

committee.

THE PRICES the GOP will demand could be either passage by the Democrat-controlled House of a Senate-passed bill to repeal the inheritance tax (SB 1) or support of a GOP property tax relief measure.

Wayne Circuit Judge Marvin Stempion last month declared that Detroit's 5 percent tax on local telephone, natural gas, electricity and steam bills had expired in mid-1988. If his ruling stands, Detroit would have to refund \$100 million of past collections and lose \$60 million a year in future collections.

As lawmakers argued Tuesday, Stempion extended into April his deadline for legislative re-enactment of the tax.

In FARMINGTON HILLS, Richard Headlee, the insurance executive whose name is on the Headlee tax limitation amendment, declared the Legislature lacks power to reinstate the tax.

"Only the people of Detroit can decide with a majority vote whether the 5 percent utility users tax will be legally reinstated," he said through a

'The administration plays a shell game by taking money out of the general fund and supplanting it with this utility tax.'

— Sen. Doug Cruce
R-Troy



publicist. "The state constitution is not negotiable."

Headlee contends that because the tax expired, the restoration bill is a new tax, hence subject to a popular vote under the Headlee amendment. Detroit's attorneys, however, say it's an extension of a tax passed

eight years before the Headlee amendment.

On the Senate floor, Cruce said the tax isn't needed because Detroit's leadership could find the lost \$60 million somewhere in its \$1.3 billion general fund budget. "The administration plays a shell game by taking money out of the general fund and

supplanting it with this utility tax," Cruce said.

SENATE DEMOCRATS failed on an 18-17 vote to force Shinkle's panel to discharge House Bill 5495, authorizing the utility tax.

All Republicans but Fessler voted no. All Democrats but maverick Gil DiNello of East Detroit voted yes. Three members were absent.

"I made a commitment six or seven weeks ago I would support getting it on the floor," Fessler said in a cloakroom interview. "It would have a severe impact on law enforcement in Detroit (if not passed)."

He said he took heat in the GOP caucus, which met behind closed doors for more than three hours, for his position.

SENATE MAJORITY leader John Engler, the probable GOP gubernatorial candidate, told reporters "other members are unhappy" that Fessler introduced two property tax relief bills Tuesday and, with Democratic support, won immediate consideration of them without going through the Finance Committee.

"He (Fessler) did it on his own today," Engler said.

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Cobo hosts area high school science fair

Work by 2,600 metro area high school students will be on display through Saturday at the 33rd Science and Engineering Fair in the Michigan Hall of the Cobo Conference and Exhibition Center on Detroit's riverfront.

Viewing of exhibits will be open to the public today and Friday 9 a.m. to 8 p.m.

Students in grades 7-12, representing more than 160 schools in Wayne, Oakland and Macomb counties, are

expected to participate, making it one of the largest science fairs in the United States.

Their exhibits will deal with advanced research and study in robotics, ergonomics and biology.

Eight grand award winners will represent Detroit May 6-12 at the International Science and Engineering Fair in Tulsa, Okla. Grand award winners will be saluted at a noon luncheon Friday in room W155 of Cobo Center.

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