

Tax relief proposals get once over at B'ham forum

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It's widely known by most people that two of them can look at the same thing and see two different things.

Such was the case Monday night at The Community House in Birmingham, as proponents and opponents of state ballot proposals A and C tossed out arguments for and against, but mostly concentrated on the proposals' effect on school districts and senior citizens. About 60 people were in the audience.

Here's the deal on the proposals:

Prop A would limit annual residential property assessment increases (excluding new construction) to 5 percent or the rate of inflation, whichever is less, until the property is sold. When the property is sold, the assessment would rise to market value.

Prop C is more complicated. It would...

■ Cut commercial, industrial and residential property taxes designated for school districts by 30 percent over five years.

■ Require the state to reimburse school districts for the lost revenue.

A & C

■ Limit annual assessment increases (excluding new construction) to 3 percent or the rate of inflation, whichever is less.

Most of Monday night's rhetoric was dedicated to the proposals' effect on school districts.

School officials in attendance — Wallied Lake schools Superintendent James Geisler, Berkeley schools Superintendent Robert Maxfield and Detroit Board of Education trustee David Olmstead — said they aren't sure the state will be willing or able to reimburse schools for the lost revenue Prop C would create.

Geisler noted that state legislators could easily act as the part of school aid that's not constitutionally guaranteed to make up for having to increase the rest of the aid. "Nothing's been said about the categorical aid," he said.

Geisler added that, if state aid to school districts is reduced through that loophole, then school districts will probably ask voters to approve millage increases.

State Rep. Barbara Dobb, R-

West Bloomfield, said she's confident that the tax cut Prop C embodies would stimulate economic activity because individuals and businesses would have more money to spend. This added spending, she said, would give the state enough additional revenue to sufficiently compensate school districts for revenue lost through the property tax cut.

"If we leave the dollars in the pockets of the taxpayers, they will be much better spent," she said.

But state Rep. Maxine Berman, D-Southfield, believes the Legislature will not be able to reimburse the schools. She likewise suspects that the Southfield school district will ask for a millage increase within a year if Prop C passes.

Also, Berman wondered why the administration of Gov. John Engler doesn't have \$17 million to keep Detroit's Lafayette Clinic open, but says it will have sufficient dough to reimburse the school districts if Prop C passes.

Others who attended the Monday meeting were more interested in how the proposals would affect senior citizens.

Mary Alice Shulman, repre-

senting the American Association of Retired Persons, opposes the proposals. Seniors with annual incomes less than \$75,000 will not get any net tax relief, she said, because they won't qualify for as high a deduction from the Michigan Homestead Property Tax Credit program as before.

"What good does it do if you put a dollar in my left hand pocket and take a dollar from my right-hand pocket?" Shulman said.

But Dobb said it's better for seniors to have lower taxes and lower tax credits than static tax credits. "The argument of please don't lower my taxes because you're going to lower my credits

(is illogical)," she said.

In addition to all the above, there are some aspects of these proposals that weren't discussed Monday night.

For example, under each proposal, property would be assessed at market value after it's sold. Would that...

■ discourage people from buying new houses because their taxes would rise?

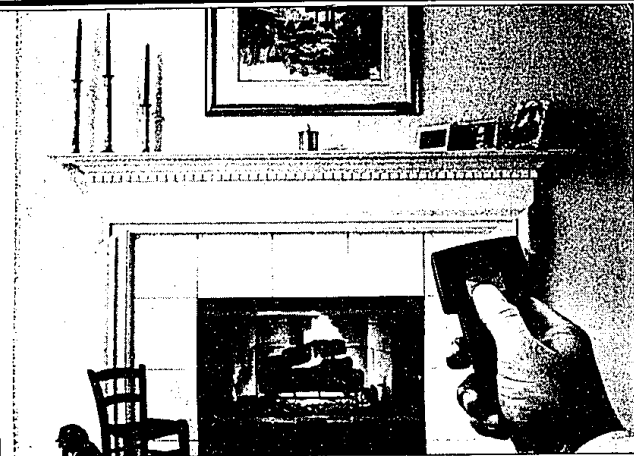
■ make it more difficult to sell your house and maybe force you to sell it for less than market value?

■ give city and township governments incentive to see that as many residents as possible sell their houses?

And since new construction would be exempt from the cap on assessments, would city and township governments then lessen restrictions on building to get as much new construction as possible, thereby increasing the portion of their tax base whose assessment rises with market value?

One final note: Bloomfield resident Cynthia Van Oyen, who helped organize Monday's forum on proposals A and C, said it was a lot easier to recruit opponents of the proposals than proponents.

All six of the opponents asked to appear accepted, she said. But four of the six proponents asked to attend found reasons not to.



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