

# Money is top priority in new legislative session

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State lawmakers return to session in Lansing this week with a full agenda. And in one form or another, money is at the top of everyone's priority list.

Tax cuts are still alive as a possibility for the fall session. House Speaker Chuck Perrieno (R-Kalamazoo Township) had hinted early in the summer at the prospects for further tax slashing measures to come around in the fall, following the state's actions cutting income taxes and eliminating the Single Business Tax in the spring.

According to House Taxation Committee Chair Nancy Cassia (R-Novi) the prospects for fur-



State Rep.  
Andrew  
Raczowski

ther tax cuts remain alive. Up for consideration are further cuts in the individual income tax rate and additional exemptions for senior citizens.

But lawmakers may also take up a proposal for a two-week holiday from sales taxes, to be scheduled around the Labor Day holiday in future years in order to assist families who must do back-to-school shopping, Cassia explained. The proposal is modeled after a similar sales tax holiday in the state of New York.

Of course, prospects for a tax

■ (State Rep. Robert) Gosselin anticipates pushing forward with House Bill 4777, the bill that would bar municipalities from making laws pertaining to minimum wages or prevailing wages. Originally written to prohibit municipalities from passing rules in areas of law already addressed by the state, the bill received a strong negative reaction from cities, townships and villages.

cut all depend on revenue projections, according to House Majority Floor Leader Andrew Raczowski (R-Farmington Hills). Projections this spring were for a substantial budget surplus. If those hold true when they are updated this fall,

Raczowski said, tax cuts are likely. The size of the surplus will help to determine what kind of tax relief is given, but he said many proposals have been offered over the summer.

The projections are scheduled to be released in a revenue con-

ensus meeting scheduled for Friday, Cassia said.

Another money issue on the agenda for the fall is Act 51, according to Raczowski. The state's Transportation Funding Study Committee is set to report back to the Legislature before year's end with proposals for how to revise Michigan's road funding distribution formula under Act 51. The formula has caused no end of controversy between the state, county road agencies and municipalities. Whatever form a revision takes, it is sure to see significant debate. But the formula must be revised soon since Act 51 is scheduled to sunset next September.

Another controversial money issue will be revived from the spring session. Rep. Robert Gosselin (R-Troy) complained about Oakland County's "donor status" because it sends more money to the state government than it gets back in services. Sen. Shirley Johnson (R-Royal Oak) has requested a breakdown from the Senate Fiscal Agency and the Department of Management and Budget on exactly how much the county really does donate. And they received promises from leadership to address the issue this fall.

Gosselin anticipates pushing forward with House Bill 4777, the bill that would bar municipalities from making laws pertaining to minimum wages or prevailing wages. Originally written to prohibit municipalities from passing rules in areas of law already addressed by the state, the bill received a strong negative reaction from cities, townships and villages. Now narrowed to the wage issue, the bill is still expected to meet with

## STATE NEWS

strong local opposition.

Sen. Dianne Byrum (D-Onondaga) said she'll be pushing for legislation this fall to increase penalties on insurance companies which fail to pay legitimate claims from policyholders in a timely fashion. The issue is an outgrowth of a lawsuit between a policyholder and an insurance company in her district. The insurance company claimed the house fire was the result of arson, a conclusion with which the fire marshal did not agree. The policyholder had to file suit to win payment of the coverage.

Sen. John Schwarz (R-Battle Creek) said he'll push for prohibitions against health insurance companies using genetic screening as a condition of coverage. He explained some health insurance companies are ready to begin using such screening. By identifying certain genetic markers, such screens can determine whether the person is more susceptible to certain illnesses. And Schwarz said the fear is that insurance companies will use the screening tests to disqualify some customers, or raise their rates.

Sen. Bill Bullard (R-Milford) said he foresees the first full revision to the state Drain Code in 40 years. The issue revolves around how county drain commissioners assess costs for their operations. The concern is that some residents are routinely overcharged for drain assessments but not reimbursed. Also at issue is how the drain commissioners must notify residents of future drain projects.



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