

**GRAND VALLEY METROPOLITAN COUNCIL  
LEGISLATIVE COMMITTEE MEETING**

**June 14, 2006**

**9:30 a.m.**

40 Pearl St. NW Ste. 410  
Grand Rapids, MI 49503

**MINUTES**

**1. Call To Order**

**ROLL CALL**

Present:

|                        |                            |
|------------------------|----------------------------|
| Marta Brechting        | Alpine Township            |
| Tom Chase              | City of Kentwood           |
| Jay Cravens            | Cascade Township           |
| Jim Day                | Kent County                |
| Mike DeVries           | Grand Rapids Township      |
| Erika Rosebrook Dibble | Ottawa County              |
| Don Hilton             | Gaines Township            |
| Barb Holt              | City of Walker             |
| Gayle McCrath          | Grand Valley Metro Council |
| Deborah Nier           | City of Wayland            |
| Rick Root              | City of Kentwood           |
| Don Stypula            | Grand Valley Metro Council |

**2. Call to Order**

Chairman Rick Root called the meeting to order at 8:30 a.m. and asked that item #6 be moved up in the agenda to #2.

**3. Elimination / Replacement of the Single Business Tax**

Tom Chase of the City of Kentwood reviewed the Grand Rapids Area Chamber of Commerce's position for the elimination / replacement of the single business tax and discussed his concerns about it.

- The goal stated in the document is to reduce revenue by 10%, not replace it 100%. It

- also takes away potential growth due to economic improvement.
- It is not clear whether the formula would change with time.
  - It is not simple to administer, in fact it is quite complicated.
  - The recommend replacement is a gross receipts tax with many substantial adjustments, not a straight sales tax.
  - It is stated to not exceed 1%. Per Kentwood's Assessor, it is questionable whether this figure would result in the revenues needed.
  - The methodology is not simple and straight forward.
  - It would move economic development initiatives to the state, rather than locally, with grants to be determined annually during the budget process. It would take away local's ability to encourage development, and (per past experience with revenue sharing) would put funding in a precarious position.
  - Problematic as the Michigan Department of Treasury would have auditing authority for those who pay the tax, and would rely on companies voluntarily paying and sending checks to each local entity.

Rick Root suggested everyone go back to their communities and bring talking points back to Don Stypula who will need to start working the issue with strategic partners and legislators. The Chamber's proposal is not simpler and would create its own set of consequences for local government.

Don Stypula stated that since the committee meeting to address the issue has been cancelled for today in Lansing, this indicates to him that language is already being drafted for the legislation. He stated if Governor Granholm is reelected, the issue will probably be taken up in the lame duck session in December. If DeVos is elected, it will move in April or May.

#### **4. Approval of Minutes**

**MOTION – To Approve the June Legislative Committee Minutes. MOVE – Hilton. SUPPORT – Dibble. MOTION CARRIED.**

#### **5. Draft Resolution in Opposition to the “K-16” Ballot Proposal**

Don Stypula presented the draft resolution in opposition to the “K-16” ballot proposal which would allow GVMC to officially go on record against. If this is passed by the GVMC Board, it will be incorporated into the GVMC minutes.

Rick Root stated GVMC needed to be careful not to advocate a position and use public funding to support it. K-16 is gathering opposition from a variety of organizations including MTA, MML, and MAC, which will all be meeting at Hope Network on the issue. We need our members to talk to their constituents and to report to us how it could affect them.

Don Hilton reported MTA took a position against it over a year ago. The resolution before us today is basically the same.

Suggestions were made to take specific statistics out of the resolution and to make more general and generic comments regarding affects on local government as not all entities have been affected in the same manner or taken the same actions to address decreased revenues. It should also indicate that a position is being taken on this as is directed by GVMC policy for issues that affect its members.

**MOTION – To Approve the Resolution in Opposition to the K-16 Ballot Proposal with Changes. MOVE – Hilton. SUPPORT – Holt. MOTION CARRIED.**

## **6. Draft Resolution in Opposition to the “Save Our State” Ballot Proposal**

Don Stypula reported the signatures were turned in Monday and it is expected the issue will be on the November ballot. He reviewed the resolution which would place GVMC in opposition of the proposal.

The proposal would limit growth in spending based on the increase in the Detroit area CPI and increased population. Of any increase beyond that, 50% would go into the state rainy day fund and 50% would be rebated directly to tax payers. The effect would require a vote of your constituents for a routine inflationary raise in sewer rates.

Erika Rosebrook Dibble added if both of these proposals pass at the same time, the results would be very troubling.

Changes suggested in the previous resolution were also suggested for this one.

Don Stypula stated this resolution if approved, would be added to the minutes of the GVMC Board Meeting.

**MOTION – To Approve the Resolution in Opposition of the Save Our State Ballot Proposal with Changes. MOVE – Hilton. SUPPORT – Cravens. MOTION CARRIED.**

## **7. Telecommunications Franchising**

Don Stypula distributed a letter to Senator Levin stating GVMC’s position on the telecom franchising issue. There needs to be 60 votes in the Senate for it to hold off a filibuster, and it appears questionable. Michigan’s Senators are holding to their opposition of the legislation. The issue is still being pursued in Lansing and legislation is being crafted per Verison and AT&T dictates. They have assured us we will be compensated dollar for

dollar. This is unlikely to move before the lame duck session.

## **8. Update on Subcommittee Evaluating DDA Tax Captures**

Don Stypula reported Oakland County has a set of guidelines for DDA tax captures that he wants to review for our information. He just received them and will send them out to subcommittee members and forward alternative dates and times to discuss the issue.

## **9. Other**

Rick Root reviewed HB1308 – sponsored by Rep. Kooiman and the companion Senate bill sponsored by Senator Hardiman which would expand the definition of non-profits to include any rehabilitation facility no matter what its size, or its residence's ability to pay. The proposed legislation would result in the license as a care facility being used as an economic tool, not as a guarantee of service excellence.

Don Stypula stated Daryl Delabbio's staff has determined it would have a \$10 million affect on Kent County, and Kurt Kimball has indicated a group of mayors has had discussion with Kooiman and Hardiman, but with no success.

Don Stypula requested a motion to oppose both the House and Senate legislation.

Rick Root stated he would rather wait to get more information and then come up with a stout resolution.

Mike DeVries indicated it was important to be careful not to just come out in opposition, but to have more clearly developed position and direction. We should engage legislators and be at the table to help draft the legislation.

Rick Root added Holland Home is a haven for the wealthy who clearly have the ability to pay taxes. There is discrimination based on income when some seniors are stuck in very modest dwellings because they don't have the ability to pay the tariff it takes to live in a high end facility, which now would get a tax break.

Don Hilton indicated the above comment illustrates his problem with inequity and uniformity in providing tax breaks.

## **10. Adjourn – 9:35 a.m.**