



**Grand Valley Metro Council
Legislative Committee**

Agenda

**Wednesday December 12, 2007
8:30 a.m.**

GVMC Offices 40 Pearl St., Suite 410 Grand Rapids, MI

- 1. Call to Order**
- 2. Approval of Minutes from October 10, 2007 meeting (attached)**
- 3. GVMC Legislative Breakfast – Monday January 28, 2008**
 - a. Discussion topics and strategy**
- 4. Update on efforts to repeal non-wage withholding requirements under 2005 Federal Public Law 109-222**
- 5. Issues Update**
 - a. 2006 Video Telecom Law**
 - b. Status of GVMC-proposed “Governmental Reforms”**
 - c. HB 5185 – Increases county liability for killing of livestock by dogs**
- 6. Other Issues**



Grand Valley Metropolitan Council

MEMORANDUM

To: GVMC Legislative Committee
From: Donald J. Stypula, Executive Director
RE: December 12, 2007 GVMC Legislative Committee
Date: December 11, 2007

Attached are the agenda and support documents for the next meeting of our **GVMC Legislative Committee** set for **8:30 AM, Wednesday December 12, 2007 at the GVMC Offices in downtown Grand Rapids.**

This month, we are focusing on one task: strategy and details for a GVMC Legislative Breakfast scheduled for 8 am Monday January 28, 2008 at the Pen Club in downtown Grand Rapids. I also want to give you an update on several issues that are pending in both Lansing and Washington and look ahead to the 2008 legislative session.

We'll start our meeting by reviewing and accepting the attached minutes from our October 10, 2007 meeting.

GVMC LEGISLATIVE BREAKFAST

It's time to get the family together and break bread with our West Michigan legislators. I am scheduling a GVMC Legislative Breakfast for 8 am Monday January 28, 2008 at the Pen Club in downtown Grand Rapids.

Based on the events in Lansing over the past year, and to avoid just another "this is what I see coming out of Lansing this year" talking headfest, I would like to examine a different approach for this event. I am proposing a format that enables us to outline our concerns, thoughts and suggestions on three to four critical issues and then ask our legislators to weigh in on our observations and respond to our requests. Topics that come to mind – taken right from GVMC's paper on State Tax and Budget Issues – include GVMC's list of governmental reforms (Act 312, the Intergovernmental Cooperation and Transfer of Functions and Responsibilities Acts and the Metropolitan Councils Act. We could also add the practical consequences of the 2006 Cable Video Act that ATT is using to roll out their new video offering.

We would prearrange to have one or two of you introduce an issue or topic, discuss the importance and ramifications of legislation to resolve the issue and then ask legislators to respond. Follow ups could come next to give our legislators the clear signal that this issue or topic is of great importance to our counties and our home towns.

These are my preliminary thoughts. I am open to any suggested format that gets us away from the standard, two-minute “reelect me ‘cause I’m fighting for you” response that we often get from our elected leaders in Lansing. Please bring your ideas and suggestions – for both format and topics – to the meeting tomorrow and we’ll start the wheels rolling on this event.

UPDATE: REPEAL OF NON-WAGE WITHHOLDING REQUIREMENTS UNDER 2005 FEDERAL LAW

Back in November, 2006 the Metro Council adopted the attached resolution endorsed by this Committee to support U.S. Senate Bill 2821, a bill to repeal a controversial new requirement for counties and large municipalities to collect a federal non-wage withholding tax on vendors. Recall that in 2005 the U.S. Congress passed and President Bush signed the Tax Increase Prevention and Reconciliation Act (P.L. 109-222). When nobody was looking, they slipped in a language under Section 511 of the Act that requires county and local governments that expend more than \$100 million per year on vendor-provided goods and services to withhold and remit to the federal government a 3% federal tax on these vendors. In essence, beginning on January 1, 2011, counties and locals that expend more than \$100 million per year on products and services become tax collectors for the federal government under this new law. At the urging of the National Association of Counties and the National League of Cities, S. 2821, which repeals the Section 511 mandate, was introduced in the U.S. Senate by Senator Larry Craig (R-Idaho).

Last year, I wrote to both Congressmen Ehlers and Hoekstra asking them to support this effort, but I have received a non-committal response from both of them. I received no response from our two U.S. Senators.

I’m going to reengage our Congressional delegation on this issue to see if we can get some movement on our request to repeal this expensive requirement. While the issue has a very narrow application for Kent and Ottawa Counties and, possibly, the City of Grand Rapids, I think it wise that we work with our partners to get S. 2821 on the President’s desk.

ISSUES UPDATE

Lawmakers are wrapping up their activities for the year this week with action expected on a number of relatively minor issues.

The two big-ticket items that have been languishing for months as lawmakers struggled with budget issues — electric industry reform and water withdrawal standards — do not appear to be ready to move before the New Year. The House may be able to move in committee legislation

that tightens the state's electric choice law while setting new energy efficiency standards and renewable portfolio standards, but action in the full House is still a big "maybe."

On the water withdrawal issue, the respective chairs of the House and Senate environmental committees will be meeting over the Holiday weekend to hash out differences in their respective plans.

For the House, the top issue on its agenda is whether the charge locals governments collect for their 911 emergency communications systems should be extended. House Appropriations Committee Chair George Cushingberry (D-Detroit) is trying to connect the renewal to his phone tax plan that would pay for an array of public safety services. The Senate, however, would rather see the extension minus the phone tax.

The video franchising issue also is heating up – this time from the implementation perspective. ATT is set to roll out their high definition video service to compete with Comcast and Charter. To do that, they are meeting, individually, with mayors, city managers and township supervisors to make them aware of the technical requirements for the new service, including the placement of very large amplification boxes that convert video signals from fiber optic cable to “twisted pair” copper phone lines. Meanwhile, Comcast, taking advantage of language in the new law, is moving its Public, Educational and Government (PEG) programming selections from the lower numbered analog channels to the digital channels in the 900 range. It’s not your “basic” cable anymore, folks. These new moves under the new cable law are another example of unintended consequences arising from the new law.

The other issue I will bring to your attention tomorrow is HB 5185. This legislation, sponsored by our own Rep. Glenn Steil, Jr., would expand the definition of livestock to include cervidae (deer, elk, and moose), llamas and alpacas, and would increase the liability counties have now in regard to stray dogs killing these animals. Kent County is very much opposed to HB 5185 and in fact the county is researching ways to work with legislators to amend this obsolete law. Since 1919, counties have been liable for reimbursing farmers whose livestock have been killed by dogs. Counties can seek reimbursement if they can determine who the owner is, but in many cases the owner cannot be found, and the county is on the hook for the expense. Recent killings by dogs of ostrich, captive deer and alpacas have raised new concerns for counties in this area.

Kent County is seeking GVMC’s assistance on this issue. I think we can lend a hand.

I’ll have some additional thoughts and information to share on these topics at our meeting tomorrow morning. I hope you can attend and add your voice to the discussion.

I’m looking forward to seeing you and having a productive meeting on Wednesday. As always, if you have any questions, or if we can be of further assistance, please call me directly at 776-7604, on my cell at 450-4217, at home at 257-3372 or via email at stypulad@gvmc.org.

**GRAND VALLEY METROPOLITAN COUNCIL
LEGISLATIVE COMMITTEE MEETING**

October 10, 2007

8:30 a.m.

Kent County Building
Grand Rapids, MI 49503

MINUTES

1. Call To Order

ROLL CALL

Present:

Haris Alibasic	City of Grand Rapids
Sam Bolt	City of Wyoming
Chuck Bloom	Cannon Township
Jim Day	Kent County
Denny Hoemke	Algoma Township
Bill Holland	Georgetown Township
Dennis Kent	MDOT
Gayle McCrath	Grand Valley Metro Council
Rick Root	City of Kentwood
Don Stypula	Grand Valley Metro Council

2. Call to Order

Chair Rick Root called the meeting to order at 8:35 a.m.

3. Approval of Minutes from September, 2007

MOTION – To Approve the September 2007 GVMC Legislative Committee Minutes. MOVE – Holland. SUPPORT – Bloom. MOTION CARRIED.

4. GVMC Policy Resolution on Transportation Funding

Don Stypula reviewed the resolution on transportation funding. He said a subcommittee was not convened as it was not needed. Everything was done over the phone.

Haris Alibasic suggested language be added which references the poor economy of Michigan and that funding is needed to attract investment, stimulate growth and

create jobs.

Don Stypula asked if language should be included regarding a local option tax.

Consensus was that it should not.

Rick Root questioned if language should be added in regards to the ability to acquire matching funds.

Don Stypula asked the committee what they could accept if he needs to make concessions on the issue some day. Give consideration to what would work, which elements to suggest. Forward these to Don and he will keep everyone advised as each element comes up.

He will make the suggested changes and get the revised resolution out to committee members today.

MOTION – To Approve the Proposed Resolution on Transportation Funding. MOVE – Hilton. SUPPORT – Alibasic. MOTION CARRIED.

5. Proposed Amendments to the 1992 Legislative Term Limits Law

Don Stypula asked the committee their feelings on taking a position on term limits.

Denny Hoemke stated he doesn't think this group should take a position as they represent a lot of people, all with different opinions and no consensus. GVMC is a governmental body. The current mess was not just caused by term limits, but also by changes to the tax structure made during the last administration. As a body of government we shouldn't take a position.

Chuck Bloom stated he is convinced the legislators don't have enough experience and he feels GVMC needs to take a stand.

Rick Root stated he feels the productivity of an individual greatly improves with longevity. Knowing they are term limited, most are focused on their next position, not current issues. The relationships needed are not created in this short of a time either.

Don Hilton stated he has never been in support of term limits. However, most citizens believe some form of term limits is a good thing. We need to see if we can get behind an improvement in the legislation.

Dennis Kent added that it takes a number of years to complete a major transportation project (15-20 yrs), and we need people around who will be able to support them throughout the project.

Rick Root stated it is good to discuss the issue, but he sees no reason to take a position at this time. He would rather watch and see how it evolves before weighing in.

Bill Holland stated they should also consider cutting the number of legislators. There are way too many. It is hard to work with so many.

6. State Budget

Rick Root reported they have a budget deal, but no budget.

Haris Alibasic asked if revenue sharing has been taken off the table for possible cuts.

Don Stypula stated yes, it will be frozen at the current dollar figure. Statutory and constitutional may fluctuate, but will even out at the current level.

Rick Root stated he understood just the formula would be frozen. Counties would remain out of formula, but the dollar amounts would move according to formula.

Don Stypula stated he checked with the MML and MTA, and under the 2008 budget, they will arrive at a zero sum increase. If there are increases in the constitutional you will see corresponding decreases in statutory in order to stay at 2007 levels.

Haris Alibasic asked if this was the Papageorge bill.

Don Stypula stated yes it was.

Bill Holland stated if the tax formula is frozen, but the dollar figure not, we could be getting a lot more.

Harris Alibasic stated he would talk with Don on the formula issues from his experts' opinions.

Rick Root asked if issues related to 312 will move.

Don Stypula stated he didn't think so.

Harris Alibasic added the MML is working on it, but it is hard to say at this point.

7. Other

8. Adjourn – 10:05.



Grand Valley Metropolitan Council

RESOLUTION

A Resolution in Support of S.2821 to Repeal the Federal Non-Wage Withholding Mandate for County and Local Governments

WHEREAS, Section 511 of 2005 U.S. Public Law 109-222 requires counties and local units of government that expend at least \$100 million per year on products and services to withhold a 3 percent federal tax on vendors starting on January 1, 2011; and

WHEREAS, this section of the Tax Increase Prevention and Reconciliation Act of 2005 is an unfunded federal mandate requiring counties and local units to expend additional local tax dollars to comply with this requirement to collect income taxes for the federal government with no compensation or reimbursement to the counties and local units for these tax collection services; and

WHEREAS, this new federal mandate could result in unanticipated future compliance costs for Kent and Ottawa Counties, the City of Grand Rapids and other local units of government in West Michigan that are striving to implement more efficient, less expensive methods and processes for delivering essential county and local services; and

WHEREAS, Idaho Senator Larry Craig has introduced S.2821 in the United States Senate to repeal the Section 511 mandate under P.L. 109-222; now

THEREFORE BE IT RESOLVED, that the Grand Valley Metropolitan Council does hereby affirm its support for S.2821 and joins other governmental organizations in respectfully urging Michigan's U.S. Senators and the members of the U.S. House of Representatives from West Michigan to support and champion the passage of S. 2821 to remove this costly mandate on our counties and home towns; and

BE IT FURTHER RESOLVED, that a copy of this resolution be transmitted to Michigan Senators Carl Levin and Debbie Stabenow and West Michigan members of the U.S. House of Representatives.

This Resolution declared adopted by unanimous vote of the Grand Valley Metropolitan Council Board of Directors on November 2, 2006.

James R. Buck, Chairman
Grand Valley Metropolitan Council