



GVMC Legislative Committee

8:30 a.m. Wednesday July 13, 2011 – Metro Council Offices

AGENDA

- 1. Call to Order**
- 2. Approval of Minutes from the June 8, 2011 Committee meeting**
- 3. Issues Update from Lansing with Bill Anderson, Legislative Liaison, Michigan Townships Association**
- 4. Personal Property Tax – Update on discussions with Grand Rapids Area Chamber of Commerce on Replacement for PPT**
- 5. GVMC Legislative Priorities – discussion on updating and augmenting priorities list**
- 6. Infrastructure Financing**
 - a. Update from the Special GVMC Workgroup on Municipal Utilities Infrastructure Financing**
 - b. Transportation Infrastructure Funding**
- 7. Other Issues**

**GRAND VALLEY METROPOLITAN COUNCIL
LEGISLATIVE COMMITTEE MEETING**

June 8, 2011

2:00 p.m.

GVMC Offices
678 Front Ave., Suite 200
Grand Rapids, MI 49504

MINUTES

1. Call To Order

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

2. Roll Call

Present:

Haris Alibasic	City of Grand Rapids
Alex Arends	Alpine Township
Daryl Delabbio	Kent County
Carol Hennessey	Kent County
Don Hilton	Gaines Township
Denny Hoemke	Algoma Township
Bob Homan	Plainfield Township
Jim LaPeer	Cannon Township
Rick Root	City of Kentwood
Ken Snow	City of Greenville
Don Stypula	Grand Valley Metro Council
Keith Van Beek	Ottawa County
Don VanDoeselaar	City of Hudsonville

3. Approval of Minutes

MOTION – To Approve the Minutes of the April 27, 2011 GVMC Legislative Committee. MOVE – VanBeek. SUPPORT – LaPeer. MOTION CARRIED.

4. Update from Lansing with Andy Schor of the Michigan Municipal League

Don Stypula reported the state legislature has wrapped up the budget. They will work until the end of the month and then take a couple of months off.

Andy Schor of the MML joined the group via telephone and gave the following report:

The next big issue for the Governor is the new bridge to Canada. He wants it done by the end of June.

Redistricting is to be done by the end of the month.

Implementation bills, policy changes needed to implement the budget, will be forthcoming.

Public Act 312 will be taken up next week along with the Urban Cooperation Act. They hope to have this done this month. There is a lot going on behind the scenes. Unused millage as will be addressed, as well as authorities being added to PA 312 (per firefighter requests).

Don Stypula asked about the personal property tax. GVMC is looking at options along with the Grand Rapids Chamber of Commerce.

Andy Schor stated he didn't feel there would be official language until fall. There has been discussion of slow phase outs and the possibility of regional ability to tax. The plan is to put the new formulas into the constitution.

Rick Root asked if the MML has been having conversations with the MTA and MAC on this.

Andy Schor responded yes they have talks regularly.

Keith VanBeek added the schools would be a powerful partner.

Andy Schor stated they haven't heard anything from the schools. In the past the state has reimbursed schools for cuts in renaissance zones, etc.

Rick Root reported GVMC is trying to formulate recommendations on the PPT with the Chamber and asked if the council of governments (MTA, MML, and MAC) would be a good place to hear our ideas.

Andy Schor said it would probably be the best place.

Haris Alibasic asked about the parking bills hearing.

Andy Schor indicated he will be at the parking bills hearing.

Jim Buck asked for an update on Public Act 312 and the Urban Cooperation Act.

Andy Schor stated the bills are in Senator Jansen's committee. The deal has blown up 2 or 3 times in the past.

Don Stypula asked about infrastructure funding. GVMC has a workgroup studying the issue. What are they considering in Lansing?

Andy Schor said he hasn't heard yet. Everyone is providing comments, but noting specific has been proposed yet.

Keith VanBeek asked about the 80/20 bill. It passed in the Senate. Now in the house there have been 2 or 3 hearings. Some favor a cap rather than 80/20 mandate.

Rick Root said GVMC should talk with Bill Anderson at MTA and someone from MAC to vet the PPT issue.

Regarding the PPT, Don Stypula reported it appears the GVMC/GR Chamber workgroup is going to suggest an increase in sales tax to replace the lost PPT revenues. We will be asking the assistance of GVSU to review scenarios.

Rick Root stated he feels citizens will view an increase in sales tax as a shift from businesses to individuals.

Don VanDoeselaar said it is similar to what has happened with Proposition A. The big problem is the grant will be determined by the level of PPT at that time. If there are any current major closings, it could cause problems.

Keith VanBeek reported it is important to protect replacement revenues from the revenue sharing promise of "we will return it to you." We can't take that chance.

Jim LaPeer said the PPT in Cannon Township is negligible. An increase in the sales tax would result in an increase in our area.

Daryl Delabbio stated, the increase in sales tax is approach one. Do we have an approach two? We should. The increase in sales tax certainly will be considered a tax shift. This needs to be deliberated with the MTA, MML & MAC.

Haris Alibasic reported the PPT workgroup has also considered a service tax.

Rick Root said he doesn't think citizens will accept a shift. We will see a division between us and the Chamber of Commerce.

Haris Alibasic said it is very important the MTA, MML & MAC work together on this. Time is of the essence.

5. Infrastructure Financing

Don Stypula reported they are focusing in on transportation financing as well as water and sewer. The state revolving fund has been cut substantially. They are considering a mandate which would require municipalities or authorities to adjust their fees yearly to maintain and replace infrastructure.

Rick Root reported some of us are already doing that.

Keith VanBeek said it takes the rate increase issue out of the political arena.

Don Stypula reported the ideas which come from this workgroup will eventually be presented to the Governor's staff. He also reported the Governor is going to open up Act 51, but he has no idea what that means.

6. Adjourn – 10:00 a.m.



2011-2012 Legislative Priorities for 96th Michigan Legislature (July, 2011 Status Update)

State Tax Policy and Local Fiscal Stability

- a. **Revenue Sharing:** The Grand Valley Metro Council supports the reauthorization of the formula for distributing the statutory portion of state shared revenues in a manner that restores revenue sharing payments to Michigan counties and fully funds the state's historic revenue sharing obligations to Michigan's cities, villages and townships. *(Statutory revenue sharing eliminated; replaced by Economic Incentive Vitality Program (EVIP)).*
- b. **Tax Restructuring and Inducements for Economic Development:** The Grand Valley Metro Council supports the restructuring of Michigan's tax code to provide a more predictable and stable tax environment for businesses; to more closely match the changing nature of Michigan's economy; to provide inducements for retaining businesses and attracting new investments; and to provide adequate revenues to support critical state and local government services. *(Michigan Business Tax and surcharge replaced by new corporate tax).*

Intergovernmental Cooperation

- c. **Elimination of Obstacles for Multi-Jurisdictional Service Sharing:** The GVMC supports amendments to current state laws that remove statutory obstacles faced by Michigan counties, cities, villages and townships desiring to form service sharing partnerships. In pursuit of that goal, GVMC seeks amendments to several existing state statutes that will make it easier for counties and communities to share resources and more efficiently deliver critical local services:
 - 1. 1967 Public Act 7 – Urban Cooperation Act *(HB 4312 awaiting Senate concurrence on July 13)*
 - 2. 1967 Public Act 8 – Intergovernmental Transfer of Functions and Responsibilities Act *(HB 4311 awaiting Senate concurrence on July 13)*
 - 3. 1969 Public Act 312 – Compulsory Binding Arbitration *(HB 4522 on the Governor's desk)*
 - 4. 1989 Public Act 292 – The Metropolitan Councils Act

***In addition, SBs 8 & 9, creating the Municipal Partnership Act, have been passed by the Senate, advanced to the order of Third Reading in the House and will likely be approved by the House on July 27*

Unfunded State Mandates

- d. The GVMC steadfastly opposes the imposition of unfunded state mandates on counties and local units and strongly encourages the Legislature to adopt the recommendations cited in the 2010 report of the Legislative Commission on Statutory Mandates.

Transportation Funding

- e. **State and Federal Funding:** The GVMC supports a substantial increase in both state and federal funding for transportation infrastructure improvements, public transit operations and regional planning activities through Metropolitan Planning Organizations.