



Legislative Update

Personal Property Tax Reforms

As we discussed at our GVMC Board of Directors meeting last Thursday, PPT continues to be a moving target. As you know, last week the Legislature was busy passing the "Freedom to Work" legislation. After that issue was completed, they adjourned and will be getting back in session tomorrow.

The much heard about reforms to the Personal Property Tax could be the major agenda item for this week. As of late Friday afternoon, revising the implementation bills, determining the voting schedule and even counting potential votes was still going on.

For several months, GVMC has had a West Michigan Work Group, active with the Lt. Governor providing analysis, suggestions and feedback on a wide variety of PPT proposals. We have held several meetings with the Lt. Governor, his staff and representatives of the Department of Treasury during that time. We have also provided thousands of pages of fiscal and policy analysis and worked countless hours to assist in the process.

Over the past weekend, members of our West Michigan Work Group were busy completing additional

analysis of the Bills and making suggestions for improvements. We expect to be active this week as the bills are debated and into next year as technical and implementation issues are identified and resolved.

We have continued to work with the Lt. Governor and Treasury officials to improve the bills that would eliminate and replace industrial and certain portions of commercial personal property taxes. Significant improvements have been accomplished that support the desired outcomes of reduced costs for businesses through personal property tax reform and long-term stable finance reform for local governments. Stability of local government finance continues to be a top priority.

A key element of these reform proposals is the opportunity to provide secure replacement income through the new Metropolitan Areas Metropolitan Authority and the Essential Services Special Assessment Act. These new initiatives and their related bills are significant innovations and essential elements of the package that will enable local governments to continue to provide

safe, secure and competitive communities for business development and quality of life for residents.

At the request of the Lt. Governor, we have suggested a series of technical amendments that will improve the current versions of the bills. We will also remain engaged in the development of required technical amendments that will be enacted in the next Legislature.

We appreciate the Administration's continued attention to the joint interests of both business and local government, and its dedication to enacting legislation that meets those interests. Very good progress has been made to date and GVMC and our Work Group expect to be fully engaged in the remaining effort necessary to make this package work for both business and local government.

I believe PPT reform will be reality in this legislature or the next. Our West Michigan Work Group will continue to participate in the process as long as we are invited to do so. Thus far, our efforts have been very worthwhile.