



PPT Repeal Passes Senate

The Michigan Senate has passed a package of bills to repeal the Michigan Personal Property Tax. There is agreement by republicans and democrats, business owners and some local governments that the tax on industrial and commercial equipment is a disincentive to business investment. However, this is definitely a case of the “the devil is in the details”. The details in this case are how will the state make up for lost local government revenues.

It is estimated that the PPT generates \$1.2 billion each year for local governments, libraries and schools in Michigan. At this point GVMC and our partner associations have not been informed of any reimbursement formula. Also, even though much of the reduction of PPT revenues would not take place until 2016, the much talked about \$40,000 threshold would begin in 2013. Companies below the \$40,000 threshold will not be subject to the PPT. This change

would also reduce by 60% the total number of parcels subject to the PPT in our state.

Several compromises allowed the eventual passage of the bills. Those included a “poison pill” clause. The clause says that if the state fails to produce the promised lost revenues, the “whole thing falls apart and the personal property tax is still in place”. This is according to Sen. John Papageorge the author of the amendment.

Another amendment approved before passage was that the state has promised to reimburse local units for any lost revenue that is tied to bonded debt or special millages. This was an important amendment for those counting on PPT for voted debt.

Several of our partner organizations took a “neutral” position on the bills in the Senate after the amendments were introduced. They hope to make improvements to the bills in the House. It is not expected that the House will take up the bills before the summer recess and may wait until after the November elections.

GVMC has been working with a focus group studying the PPT and doing analysis on it's impact on our member governments. We will continue to stay involved in the matter and keep you informed.

Spotlight on Cooperation

GVMC/LGROW Hosts Forum on Storm Water Discharge Permits

On Tuesday morning, twenty-two governmental leaders from our region gathered at the GVMC offices to discuss the ongoing issue of the MDEQ storm-water permitting process.

Chaired by East Grand Rapids City Manager Brian Donovan, LGROW (Lower Grand River Organization of Watersheds) is an agency of GVMC. It's purpose is to collaborate to improve and protect the Grand River .

Municipalities throughout our area are working together to find regional solutions to managing storm water and meet the requirements of MDEQ discharge permits. This regional approach allows members to share in the development of best practices, public education and permit application requirements of MDEQ. By working cooperatively, LGROW members are collaborating through several committees to meet the requirements of the storm water permit application process. If you would like more information please feel free to contact us.

**Please Email Your Community's
Programs and Ideas for
Cooperation!**

Reserve Your

Quarterly Luncheon Tickets

for

July 9th with Lt. Gov. Calley

Price: \$25.00 per person

RSVP to Gayle at mccrathg@gvmc.org