



MICHIGAN TOWNSHIPS ASSOCIATION

WEEKLY LEGISLATIVE REPORT

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Please route to all interested parties in your township.

THREE-JUDGE COURT OF APPEALS PANEL HEARS PRESIDENTIAL PRIMARY CASE

On Thursday, a three-judge panel heard oral arguments stemming from last week's circuit court ruling that the law establishing the Jan. 15 presidential primary had a provision that was unconstitutional. The provision in question is whether the law's stipulation that the two major political parties be given sole access to the lists of those voting in the presidential primary constitutes an appropriation of "public property for a private purpose." Plaintiffs in the case argue that it does while others have suggested that the reason the lists are developed is a public purpose to protect election integrity and encourage participation in the political process. The three-judge panel will have to determine which argument is correct. Another issue discussed during the hearing was whether today (Friday) is the "drop-dead" date for deciding whether the primary can move forward or not. The attorney representing the secretary of state eventually admitted that today was not the drop-dead date but the longer the issue lingers, the greater the likelihood that absentee voters will be disenfranchised. A decision could happen as early as today but more likely will come sometime next week. At this point, the prospect that the primary moves forward seems to rest with the three-judge panel, however there remains a remote chance that the Legislature could agree to a "legislative fix" to the situation next Tuesday when both the House and Senate are tentatively scheduled to return for a one day session during the Thanksgiving break.

ROAD FUNDING TASK FORCE

A bill that would create two committees to review and make recommendations to replace or supplement the state gas tax is scheduled for a hearing in the House Transportation Committee on November 29. SB 59, sponsored by Sen. Jud Gilbert (R-Clay Township), would amend the Michigan Transportation Fund law to create a seven-member task force appointed by the governor to review alternative transportation funding options, alternative transportation investment priorities and potential strategies for maximizing returns on transportation investments. The task force would have to evaluate the potential of alternative strategies to replace or supplement the 19-cent gasoline tax and would have to focus on implementation of technical strategies to put in place user-pay funding methods. Further, the bill also creates a 14-person citizens advisory commission to also examine the gas tax and potential alternatives. One member of the commission would be designated to represent MTA. The citizens advisory commission could make recommendations to the full task force and could form any necessary subcommittees to collect relevant data and reports. The focus of the two panels will be related to the following Michigan road funding items: identify capital and maintenance needs, transportation investment and maintenance priorities, use of transportation systems, alternative funding options, historical transportation financing patterns (statewide fiscal resources), and strategies for maximizing the returns on transportation investments.

STATE REVENUES INCREASE SLIGHTLY

A quarterly state revenue report released by the House Fiscal Agency (HFA) in early November indicates that revenue collected by the state in the third quarter of 2007 (August-October) was 3.1 percent above revenues taken in during the same period in 2006. The \$198 million additional received by the state in the fourth quarter of the state's fiscal year is a positive sign; however, for the year, state collections are up just 0.6 percent. The revenue amounts to \$60 million above projections for the general fund and School Aid fund. Most of the increased revenue came from income tax revenues, which were up 5.6 percent, or roughly \$96 million. These collections include one month of the new income tax increase (3.9 to 4.35 percent) that went into effect on Oct. 1. The HFA analysis showed sales tax collections up 0.3 percent during the quarter but still down 1.2 percent for the year. And not surprisingly, the real estate transfer tax was down significantly, off 13.1 percent for the quarter and 22.1 percent or \$67.4 million for the year.

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