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MEISNER LOOKING FOR MORE DISCUSSION ON SENATE HOUSING PACKAGE

Senate legislation before the House Commerce Committee that proponents argue would help boost home sales in Michigan is still under review by the panel's chair who told Gongwer News Service Friday that he's glad to see senators have engaged on the issue but that he wants more time to speak with them thoroughly on their proposals.

[SB 791](#), [SB 790](#) and [SB 1065](#) were sent to the House with three to five dissention votes just before the Senate's spring break (See [Gongwer Michigan Report, March 27, 2008](#)). Mr. Meisner said he hasn't talked to the bill sponsors yet but did recently read over a fiscal analysis of the bills.

"From what I see I'm glad my colleagues in the Senate have agreed to provide property tax relief," as communities are suffering from foreclosures and a decline in property values, he said.

Mr. Meisner said he was also encouraged that senators were looking at the pop-up issue, which is what his bill and others sent by the House last year hope to address. [HB 4440](#) and [HB 4441](#) would put an 18-month moratorium on the pop-up tax that occurs when a home is sold under 1994 Proposal A standards, but would also increase the real estate transfer tax.

Mr. Meisner said that approach would provide relief and not "blow a hole in the budget" as much as some critics of the Senate legislation purport it would do. Estimates of the Senate bill's fiscal impact have been around \$150 million in the first year.

The Senate measures would suspend the pop-up tax for three years, increase the income cutoff for individuals eligible for the state's property tax credit and raise the overall homestead tax credit by \$100, which is the first hike since 1976.

Mr. Meisner said he plans on talking with senators on how they came up with the proposals and how they think the bills will solve the problem.

Greg Bird, spokesperson for House [Speaker Andy Dillon](#) (D-Redford Twp.) added, "We passed our Homeowner Stimulus package (pop-up) quite some time ago and the

Senate has yet to take action on it. The advantage the House package has is that it provides immediate relief to homeowners whereas the Senate version does not. Under their plan, homeowners receive their relief at the end of the tax year. Immediate relief is a much better stimulus as individuals purchasing homes make purchases as they move in - whether it be new appliances, furniture or other home supplies. In addition, the Senate GOP plan would cost the general fund revenue."

But Robert Campau, vice president of public policy and legal affairs for the Michigan Association of Realtors, said they believe the Senate bills are a "very bold initiative," though he recognizes they will have some difficulty with lawmakers concerned about the budgetary implications.

But Mr. Campau emphasized that both chambers are talking about the same scope and issue and that is positive.

He hopes to see more progress in the coming weeks, but noted that the Senate action did not garner much media attention and that hasn't disturbed the market, which is what the group wanted. In introducing and passing its legislation, House Democrats had hosted a series of press conferences across the state. A concern Realtors voiced last year was that without quick action on the issue, people would be waiting for something to occur legislatively before buying a home.

Summer Minnick, director of state affairs for the Michigan Municipal League, said their board had not taken a position on the Senate bills (which did not receive a hearing in that chamber before passage), but that they do support increasing the homestead tax credit.

Overall, Ms. Minnick said she thinks the package takes a "creative" approach to providing homeowners with additional incentives to buy a home while at the same time protecting local governments from taking a hit in revenue.

"It's a huge step in the right direction," she said.

MML had supported the House package as it had included [HB 4442](#), which would alter the way the Headlee rollback millages are calculated by including the pop-up taxable value. The rollback on property tax rates is required (unless voters agree to an override) when property value rises above the rate of inflation or 5 percent, whichever is less from year to year.

But that bill has languished on the House floor for over a year, and without it, MML can't support the House housing bills, she said.

Mr. Meisner did not give estimation on when the Senate bills could receive a review by the full committee, saying the panel has been following up on the film incentive package that was recently signed into law and is now addressing copper wire theft legislation.

