Jacqueline Noonan

From: Jacqueline Noonan [NoonanJK@Comcast.net]
Sent: Tuesday, December 04, 2012 1:08 PM
To: 'Jeff Farrington'
Cc: Mayor Jacqueline K. Noonan
Subject: Personal Property tax

Honorable Representative Jeff Farrington:

It is with grave concern that I address the important topics currently being considered within the Legislature in Lansing. As a public official with over 29 years experience in Utica government, I distresses me greatly that a lame duck session would be attempting to pass complex legislation that requires extensive research and discussion. While I am upset at the dialogue over school reform (twenty-two years a public school teacher in Michigan), right to work issues, and personal property tax reform, it is the latter that I will deal with in this email. Having read your answer to at least one of my employees email to you on this item, I feel it is imperative that I speak for the City Council in Utica in expressing the position that the Michigan Municipal League, Macomb County's MACRO alliance, Replace don't Erase coalition and other groups have enunciated repeatedly. I am now the Vice-President of the MML and have been in constant conversation with our Board of Trustees, Dan Gilmartin, Samantha Harkins , the Governor's office and the Lt. Governor (as he presented this plan last week), voicing our opposition to any quick passage of such a proposal. As stated by our groups as I worked with staff to frame our spe4cific fears:

Talking Points:

We are not opposed to the repeal of The PPT. We are opposed to rushing through this process when there are numerous questions that have not been addressed.

Guaranteed replacement revenue is an absolute requirement. The cut or elimination of the PPT must not take effect if the ballot proposal to dedicate the use tax to replacement revenues is not approved by Michigan voters. The two must be tie-barred. If the use tax is not approved by Michigan voters, the cut to PPT must not take effect.

What are the formulas for calculating the Essential Services Assessment (ESA) and the reallocation of the use tax? Without an opportunity to fully vet the formulas against community data, we can't be sure of their impact on our communities.

Is there an opportunity for a local referendum to block the ESA?

Why create a new level of government with its added cost and bureaucracy that appears to have broad power with little to no state oversight? This authority could create new conditions on funding that is vital for local operations.

This new bureaucracy can also intercept 2% of already-diminished revenue.

80% reimbursement is not acceptable; we need to get closer to 100% replacement funding.

The ESA should be allowed for all public safety, not just police, fire, and ambulance. It must include all public safety functions, including jails, 9-1-1 authorities, special public safety millages, public health, etc. These are not viewed or typically funded separately at the local level.

Cutting our revenue by varying amounts across the state without providing relief from our obligations will force locals to make up the revenue elsewhere.

This combined with ESA shifts the taxing burden from the state to the locally elected body. Assessing a new tax or increasing an existing tax is as unpopular locally as it is on the state level.

What about debt millages? If the money isn't there from the ESA or use tax, that represents an automatic tax increase for homeowners.

How will revenue from special millages like street lights or refuse be reimbursed?

How will Treasury determine "total restricted qualified loss"?

Will the ESA pass scrutiny under a Bolt review?

What revenue has been identified to keep TIFAs and DDAs whole?

With so many questions and few if any answers, no guarantees and many pitfalls, we respectfully ask that you not support this ill-thoughtout legislation. The real problem, as identified in numerous studies over the last decades, is the broken fiscal model in Michigan and the lack of courage in the legislature to tackle true reform that would fund schools, state, and local government responsibly.

I would welcome a real dialogue with you on this issue – local immediate responsibilities prevent me from attending the public hearing either today or tomorrow and ask that you enter my email in the public record of such hearings if at all possible. Please notify me if the "clerk" of the House has an email address that I can use for that purpose.

Thank you for your time and service to our shared constituency, but I pray that you will rethink your position on the proposal on the table for personal property reform in this lame duck session.

Mayor Noonan

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