

**Legislative Report for MAT**  
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The 2008 legislative year ran a little smoother than the bruising tax/budget battle of 2007. But the national recession and deteriorating financial health of manufacturing may bring even more difficult challenges in 2009. An alternative energy package which included mandated Renewable Portfolio Standards (RPS) by 2015 was passed into law. Public Act 131, sponsored by Rep. Jeff Mayes, D-Bay City, legislation to exempt 70 foot crib trailers from tie downs requirements, was signed into law before the summer legislative recess. Legislation to clarify the sales/use tax exemption on logging equipment was finalized during the lame duck session thanks to the extraordinary efforts of Senator Mike Prusi, D-Ishpeming, Rep. Mike Lahti, D-Hancock and their exceptional staff. The bills are expected to be signed into law by Governor Jennifer Granholm in January.

Legislation to allow woodlots to be defined as qualified agricultural property for property tax exemption purposes, HB 4962, will be reintroduced in 2009. Legislation to allow a slasher to be hauled legally down the road did not complete legislative action before the Legislature adjourned its 25 hour marathon session. House Bill 6239/SB1241 will be reintroduced in 2009. Legislation to clarify the sales/use tax exemption on industrial processing equipment at sawmills will also be reintroduced. House Bill 6320/6352 were opposed by the Department of Treasury. Representative Mike Lahti, D-Hancock has agreed to introduce a bill to add the SIC Code to the new Michigan Business Tax (MBT) for logger contract services as was included in the former Single Business Tax (SBT). Efforts to repeal the surcharge on the Michigan Business Tax will be reintroduced along with other MBT "fixes" being sought by the business community.

Road/gas tax proposals will be reintroduced. Changes to how the state collects its fuel taxes (swap the current 19 cent gas tax and 15 cent diesel tax in favor of an 18 percent tax for both at the wholesale level), driver registration, license fee increases and local gas tax options are key components to the plan being debated.

The competition to get our position known and moved forward has gotten more difficult in Lansing since the term limit law was passed. The term limit law has required lobbyists to spend more time educating legislators in an effort to build credibility and access. By the time term limited legislators learn the process and begin to trust us they are term limited and we have to start all over again. This year we are faced with introducing 46 new House members to forestry, our goals and issues. A daunting task. The Senate was not up for election in 2008. House members are elected for two years, senators are elected for four years. House members are allowed three two year terms, while senators are allowed two four year terms under the term limit law.