

Legislative Report for MAT
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Negotiations to address a growing deficit in the 2009-2020 budget continue as the House and Senate continue to disagree on how to resolve the problem. Senate Republicans passed a budget that was largely dependent on \$1.2 billion in cuts to balance the budget and spreading stimulus dollars and budget cuts over the next two budget years. House Democrats and Governor Jennifer Granholm propose to use most of the stimulus dollars to get through 2010 with fewer cuts in spending. Granholm is also considering raising new revenue by closing so-called "business loopholes" and raising some fees in an effort to address the budget shortfall. The debate continues.

The DNR budget is awaiting action by a conference committee. House Bill 4446 sponsored by Rep. Mike Lahti, D-Hancock, contains "no bid" and "cord mandate" language and SB 251, sponsored by Senator Michelle McManus, R-Lake Leelanau, does not. The bills have many other points of difference so a conference committee will decide what will be adopted. The biggest change in the budget is that the DNR and DEQ budgets were combined to create a new Conservation budget. It is anticipated that Governor Granholm will merge DNR and DEQ as part of an effort to down size departments and reduce the size of government. There is also legislation to merge DNR and the MDA which is awaiting debate by the Senate. This issue will be addressed during the fall session.

House Bill 4404, sponsored by Rep. Steve Lindberg, D-Marquette, provides a sales tax exemption on certain sawmill equipment and is awaiting debate by the House Tax Policy Committee. House Tax Policy chair Rep Ebli, D-Monroe, is positioned to hold a hearing as soon as the Dept. of Treasury approves language changes. Treasury is concerned the current language would include an exemption on accounting, purchasing and human resources. We continue to work with Treasury to resolve the issue.

Senate Bill 198, Michelle McManus, R-Lake Leelanau, provides a use tax exemption on certain sawmill equipment. The bill has received one hearing by the Senate Finance Committee where Treasury chose not to comment on the bill. We experienced problems last session with legislation to clarify a sales/use tax exemption on logging equipment when the Dept. of Treasury originally opposed the bill. We did not give up last year and we will not give up this time. Last year a deal was made the last day of session and the bills were passed and signed into law by Governor Granholm.

Because of the unfair competition from the Amish community, we are working to identify ways to require them to compete on a level playing field. Amish do not pay workers compensation or other related business taxes and do not have to adhere to child labor laws. I have requested four House members and two senators to research the issue and to put pressure on the DLEG to treat Amish loggers/sawmills the same as they investigate and cite member loggers/sawmills.

Senator Alan Cropsey, R-DeWitt has ordered double blue backs to allow woodlots to be defined as qualified agricultural property for property tax exemption. Once the bills are drafted I will work with the senator's staff to determine the best House and Senate sponsor for the measure.