



Legislation Text

File #: 09-0276, **Version:** 1

Resolution Opposing SJR H

Whereas, the Michigan Senate approved SJR H, which would amend the Michigan Constitution to require the taxable value of property to remain the same if that property's assessed value declined, even if the property's assessed value remained higher than its taxable value;

Whereas, The Senate Fiscal Agency's report analyzing SJR H dated March 12, 2009, warned that, "The proposed constitutional amendment would reduce both State and local revenue by an unknown and, in some years, likely significant amount," and that SJR H could "reduce State and local property taxes by approximately \$253.0 million in the first year that the amendment was in effect";

Whereas, SJR H would have a devastating effect on every unit of local government, every public school system, and every County in the State of Michigan, and would require dramatic cuts in public safety, roads, and parks;

Whereas, SJR H would have a devastating effect on the State budget because, according to the Senate Fiscal Agency's report on SJR H, the State would be forced to increase funding for the School Aid Fund to compensate for the lost property tax revenue, and this required increase in funding for the School Aid Fund will result in further cuts in State funding for vital services including environmental protection, higher education, and arts;

Whereas, SJR H would dramatically alter Proposal A, an amendment to the Michigan Constitution that has worked as intended by protecting property owners from large annual increases in property taxes, while also protecting the State, local governments, and public schools from large annual decreases in property tax revenue;

Whereas, SJR H is unnecessary because Proposal A already protects property owners from large increases in their property taxes by limiting annual increases in a property's taxable value to 5% or the rate of inflation, whichever is less; and

Whereas, Empirical studies show that businesses and individuals consider quality of life a higher priority than tax rates when considering whether to maintain operations or residency in Michigan, and SJR H would therefore hinder Michigan's ability to attract and retain new business and highly-skilled workers by depriving the State and local governments of funding for basic public services;

THEREFORE, BE IT RESOLVED, That the Ann Arbor City Council opposes SJR H and urges our State Representatives, Pam Byrnes and Rebekah Warren, to oppose the House version of SJR H, to diligently lobby their colleagues in the House of Representatives to oppose SJR H, and to report to the Ann Arbor City Council on their efforts to oppose SJR H; and

BE IT FURTHER RESOLVED, That the City Administrator shall send a certified copy of this resolution to Governor Jennifer Granholm, Lt. Governor John Cherry, Senator Liz Brater, Representative Pam

Byrnes, Representative Rebekah Warren, Washtenaw County Administrator Bob Guenzel, UM President Mary Sue Coleman, the presidents of each labor organization representing unionized City of Ann Arbor employees, Kirk Profit, and the Michigan Municipal League.

Sponsored by: Councilmembers Leigh Greden, Stephen Rapundalo, Christopher Taylor, Carsten Hohnke, and Marcia Higgins

Date: April 6, 2009