

August 10, 2006

LEGISLATURE REPEALS S.B.T.

Wednesday the GOP-controlled Legislature did exactly what it was expected to do ó it passed a bill that speeds up the Single Business Tax (SBT) repeal from the end of 2009 to the end of 2007. The vote was a straight party line 22-16 tally in the Senate, while in the House the vote was 64-36, with seven Democrats joining 57 Republicans in support of the measure.

The measure was before the Legislature as the result of a citizens' initiative petition drive. With such an initiative, if the Legislature passes the measure it bypasses the Governor and becomes law without her signature. Had the Legislature failed to pass the measure, it would have been placed on the November ballot in the form of a proposal.

The Governor and Democrats in the Legislature have stated the action is irresponsible given the absence of a program to replace the revenue lost by the demise of the SBT. Senate Majority Leader Ken Sikkema has said in response that the best way for the Legislature to come up with a replacement tax would be to get rid of the old tax so it would be forced to make a move. He cites the passage of Proposal A in 1993 as an example of how force can make a government move. In 1993 the Legislature got rid of the public education funding source and then came up with a way to replace it.

This past June the Senate Majority Leader and the House Speaker announced the establishment of a special six-member bipartisan committee to study options for replacing the SBT. The leaders have indicated they will have a replacement formula by December 1, 2006.

PRIMARY ELECTION – NO SURPRISES

All Republican and Democratic incumbents survived their individual challenges, some more convincingly than others. If there was a surprise in the state Senate races on Tuesday, it was that there were no real surprises. Likewise the House elections yielded no unexpected results. The five Republican incumbents seen as having a potentially difficult primary won with substantial margins. The vast majority of Democratic incumbents facing primary opponents came from lawmakers representing the City of Detroit.

More House Republicans had encountered opponents in their respective primaries than did their Democratic colleagues. All prevailed with more votes than they did against the same challengers two years ago. A year filled with uncertainty about the state's economy did not come to the forefront as all incumbents facing challenges from within their own party swept to victory.

At this point Capitol observers see all Republican and Democratic seats staying with their parties. That would put the House tilt at 58 Republicans to 52 Democrats, back to its configuration before three vacancies were created earlier this year.

Secretary of State Terri Lynn Land announced that state-wide optical-scan and AutoMARK voting equipment passed the test when 1.26 million residents cast their votes in Tuesday's primary. Election administrators monitored Tuesday's election carefully as the first statewide test of the optical-scan and AutoMARK voting systems. Land stated that at an 18 percent turnout, the voter turnout rate was not unusual for a primary. Areas that had competitive races and key ballot initiatives or millages experienced higher turnouts.