

## Electors to decide controversial issues

# Seven proposals face voters Tuesday

Although the three statewide tax cut or tax shift proposals on Tuesday's ballot have received most of the attention, Michigan voters will have to vote "yes" or "no" on seven proposals.

One of the other four is a tax increase, from 4.6 to 4.7 percent, primarily for new prison construction. The other three involve lowering the drinking age, legislative immunity and powers of the lieutenant governor.

All seven are identified on the ballot by a letter and brief explanation. Those wishing to vote for the Tisch Amendment (Proposal D), for instance, won't find it identified as "Tisch" on the ballot.

The proposals are lettered

A, B, C, D, E, G and H. There is, for apparently obscure reasons, no Proposal F.

Following is an explanation of each, along with advantages and disadvantages. Explanations of Proposals A, C and D were prepared by the public service and information committee of the Michigan Association of Certified Public Accountants.

### A - SMITH-BULLARD TAX PLAN

Purpose of this plan is to provide a statewide system of equal financing of elementary and secondary schools without dependence on local (residential) property taxes.

To accomplish that goal, residential property taxes would be limited to 13 mills, \$13 per \$1,000 of assessed value, which could be raised an additional 11.5 mills by a vote of the people. To replace the lost tax income to the state and local municipal governments the proposal would probably result in:

- 1) An increase in individual income taxes from the present 4.6 percent to 6.8 percent (experts disagree).
- 2) An increase in property taxes to industrial and commercial property.

### B - DRINKING AGE

Two years ago, voters approved raising the legal drinking age from 18 to 21. Proposal B, if approved, will reduce it to 19.

Nineteen-year-olds are legally adults, except for drinking alcoholic beverages. Proponents of the lower age limit say teenagers still drink, but instead of doing it in bars, do it in cars, homes, parks, etc.

Allowing 19-year-olds to drink, opponents say, would increase teenage traffic accidents, have a bad influence on minors and make it easier to drink in schools.

According to the Citizens Research Council of Michigan,

"Taxes being charged in unequal amounts to businesses and individuals due to higher rates for businesses for property taxes."

Loss of local control of educational revenues by requiring the state legislature to establish a program of general state taxation for educational operating purposes.

Certain general terms of the proposal have unclear meanings and there may be a complexity problem in their application.

gan, "There is no clear relationship between the legal drinking age and the number of automobile accidents. Since the drinking age was raised to 21, there have been fewer accidents involving 18, 19 and 20-year-old drivers who have been drinking. However, in the same period, there have also been fewer non-drinking related accidents involving 18-20-year-olds and fewer drinking and non-drinking related accidents involving persons 21 and older."

### C - COALITION TAX PLAN

Proposal C, like Proposals A and D, is a constitutional amendment.

Its principal purpose is to shift taxation from residential property taxes and sales tax on utility services. It would offset the lost taxes by increasing the present 4 cents per dollar state sales tax to 5.5 to 9.5 cents (experts disagree) without a significant loss or disruption of services currently being provided by state and local governments.

This proposal, prepared by a coalition of the legislature and governor, represents an attempt by government, business, education

and civic leaders to address the public discontent expressed with the substantial increase in property taxes over the past few years.

In connection with this proposal, the legislature has passed and the governor has signed nine separate bills implementing Proposal C, which will become effective only if Proposal C is approved in November.

Proposal C contains residential property tax reductions, a tax credit for renters, modifies certain provisions of the Headlee tax amendment and has provisions for replacing the lost revenue with sales taxes specifically earmarked for revenue replacement to local governments.

Proposal C also has provisions that allocate certain revenues to school aid and a "rainy day" fund, provides for changes in assessment methods for agricultural and forestry property, and attempts to better define the taxing powers of local units of government in relation to taxation arising from state authority.

Possible advantages of the legislative-executive proposal:

- A reduction in residential property taxes.
- More stabilization of the state budget due to the constitutional amendment requiring a "rainy day" fund.
- Establishment of a more uniform statewide assessment of property taxes.
- Ease of implementation as a result of the already completed passage of enabling legislation.

### D - TISCH TAX CUT

Possible disadvantages of Proposal C:

- Increased sales and use tax to individuals.
- Increased sales and use tax to businesses.
- An eventual increase in taxes to everyone, assuming inflation continues.

This proposal, initiated by Robert E. Tisch, is a constitutional amendment designed to reduce property taxes to 50 percent of their 1978 value and to require the state to reimburse local governments for the lost revenues.

Proposal D intends to accomplish its goal by using 1978 assessments as a base, limiting increases in residential and agricultural assessments to 2 percent annually, removing most property tax exemptions from property that is currently exempt (excluding schools and churches), providing school tax exemptions to persons over 62 years of age and providing additional property tax exemptions to individuals with a low income.

The Tisch Proposal also contains provisions limiting the power of the state legislature by requiring the legislature to submit proposals for new taxes to a vote of the people and by requiring the legislature to have a four-fifths vote in favor of changing existing taxes, credits or exemptions.

There are significant "new" concepts in this proposal from the viewpoint that a 60 percent majority of the voters must approve any tax increases and 80 percent of the legislature must approve certain exemptions from taxation since both of these concepts would be constitutional rather than at the will of the legislature.

Since many provisions of the Tisch Proposal are indefinite, implementation and impact are difficult to assess.

Possible advantages of Proposal D:

- Reduction of residential and business property taxes.
- Providing the individual the opportunity to control taxes.
- Taking taxing power away from the state legislature.
- Forcing a detailed review of state programs.
- Achieving more responsible state government.
- Provides the ability to budget property taxes to the individual.

Possible disadvantages of Proposal D:

- A curtailment of state government services.
- A curtailment of local government services.
- Probable extensive use of the courts to implement the technical aspects.
- Increase in federal income taxes to individuals and businesses because the deduction for taxes paid to the state will decrease.
- Unknown impact on federal aid to Michigan.
- Reducing funds available for education.
- Additional taxes on business property currently exempt and additional loss of the state's ability to attract industry.

### E - PRISONS

The proposed law would increase the state personal income tax from 4.6 to 4.7 percent for five years beginning Jan. 1.

During the period it would be in effect, it is estimated the tax increase would yield \$360 million. The revenue would be earmarked for the following:

- Construction of four new regional prisons.
- Demolition of the 103-year-old Michigan Reformatory at Ionia.
- Preventative programs and other state and local correctional purposes.

The number of persons sentenced to state prisons during the past decade has more than doubled. A contributing factor was approval by voters in 1978 of the requirement that prisoners cannot be paroled before serving their minimum sentence.

As of Aug. 1, state prisons were housing 15,196 inmates, 10.2 percent more than their intended capacity.

Correction officials predict a shortage of approximately 7,250 beds by 1990 unless new construction is undertaken and some outmoded facilities are replaced or renovated.

Those in opposition argue one of two ways. One is that the legislature should rearrange its priorities and fund new prisons out of existing revenues or by sale of bonds, instead of a tax increase.

Those in favor say that the only way to do it, given the state's present financial situation, is by increasing taxes.

The other argument against the proposal is that instead of building more prisons, the state should look at more humane means of treating certain prisoners, such as more use of community-based facilities, work-release, etc.

### G - CIVIL IMMUNITY

The state constitution gives legislators immunity from civil arrest or process

during the legislative session and for five days before and after each session.

The immunity includes such matters as traffic violations, negligence actions and other civil lawsuits. The provision goes back to 1835 and was intended to protect a senator or representative from harassment by the executive or judicial branches of the government or from lawsuits, such as might result from action taken as legislators.

However, the legislature now meets almost year-round and traffic violations, once part of the criminal code, are part of the "civil process."

Proposal G would allow the legislature to pass a law to modify the exemption, thereby eliminating the potential for abuse of the immunity provision, for instance, by a legislator avoiding a citation because of a traffic violation.

The opposition argument is that passage would give authority to legislators to create laws that would exempt them from civil prosecution.

### H - LIEUT. GOVERNOR

Passage would:

- Allow an incumbent legislator to be eligible for appointment to the office of lieutenant governor.
- Eliminate the provision making the lieutenant governor the president of the senate with the right to break tie votes.
- Allow the governor to fill a vacancy in the office of lieutenant governor, subject to approval of both houses of the legislature.

The main argument in favor is that the state constitution presently has no provision allowing appointment of a replacement for a lieutenant governor who resigns or dies while in office.

Another provision prohibits legislators from receiving any civil appointment within the state while serving in office.

The opposition argument is that the lieutenant governor's constitutionally mandated duty to preside over the senate and to cast a vote to break ties has worked well and provides an important check by the executive branch over the senate.

The counter argument is that in recent years, the lieutenant governor rarely presides over daily sessions of the senate and even more rarely votes to break ties.

Since 1835, the office of lieutenant governor has been vacant eight times.

Proposal G does not spell out who would preside over the senate, since the lieutenant governor would no longer do so, nor how ties would be broken. Presumably, the senators would elect one of their own to preside.

**A YES VOTE FOR TUSCOLA COUNTY PROPOSITION I** will distribute approximately \$50,000 per year to local cities and villages for street improvements. Paid for by Tuscola County Proposition I Committee.

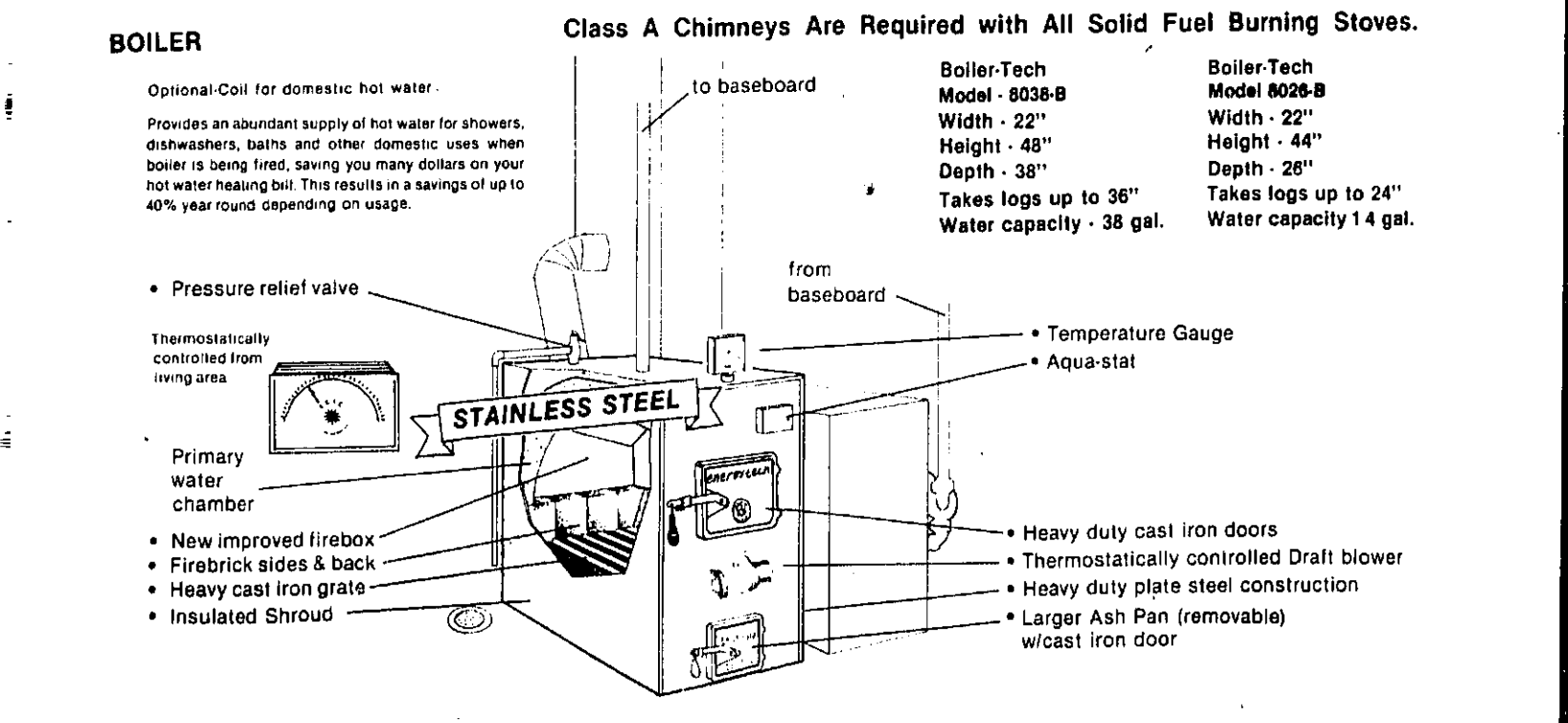


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