

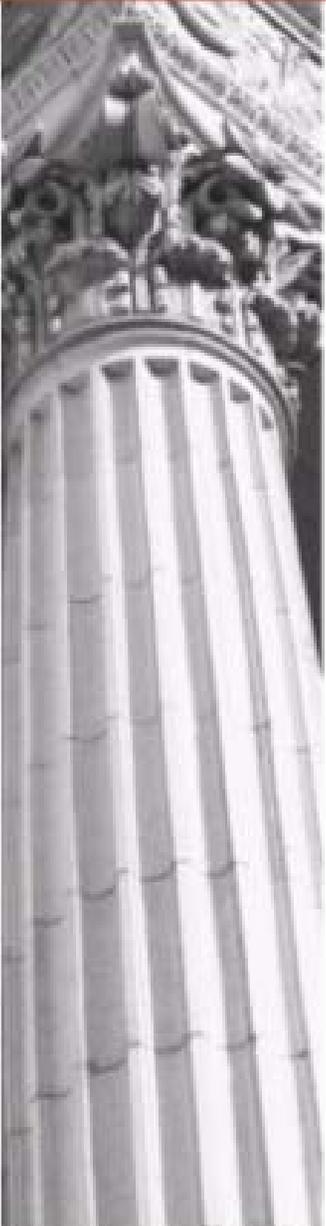


2012 Statewide Ballot Proposals

1 referendum & 5 constitutional amendments

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September 24, 2012

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- **Promotes sound policy for state and local governments through factual research**
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6 Ballot Issues

1 referendum, 5 constitutional amendments

- 12-1 Referendum on Public Act 4 of 2011
- 12-2 To establish the right to Collective Bargaining
- 12-3 To establish a standard for Renewable Energy
- 12-4 To establish the Michigan Quality Home Care Council and provide Collective Bargaining for In-home Care Workers
- 12-5 To Limit the Enactment of New Taxes by State Government
- 12-6 Regarding Construction of International Bridges and Tunnels



Proposal 1 - PA 4 Referendum

- Vote "Yes" to keep PA 4
Vote "no" to repeal PA 4
- 3 acts since 1988 to deal with local governments in "financial emergency"
- State AG position is that 1990 PA 72 is reenacted if PA 4 is repealed



PA 4 Referendum (continued)

- Extraordinary grant of power to emergency manager
 - Lower threshold for state intervention
 - Authority of emergency managers expanded to include operations
 - Local control eroded during intervention
 - Can remove powers of local government officials
 - Not constrained by local charter
 - Authority to reject, modify, or terminate contracts and collective bargaining agreements
 - Empowered to sell assets, renegotiate debt, assume control of pension funds (under specific circumstances), recommend consolidation, disincorporate the local government, file for bankruptcy
 - Expanded power to local government through consent agreements
- Most of the entities that have been subject to state intervention have been predominantly African American



Prop 2 – Collective Bargaining

- Right to public and private sector Collective Bargaining enshrined in Constitution
- No existing or future Michigan laws “shall abridge, impair or limit” the right to collective bargaining
- No existing or future Michigan law shall “impair, restrict or limit the negotiation and enforcement of any collectively bargained agreement”



Collective Bargaining (continued)

- Right to private sector collective bargaining defined in federal laws
- Federal law defers to the states the ability
 - to enact “right to work” laws
 - to authorize ability to include requirements in labor contracts for employers to collect union dues
- Federal law is silent on regulation of relationships between employees and the government agencies that employ them



Collective Bargaining (continued)

- Art. IV, Secs. 48 & 49 of 1963 MI Constitution authorize legislature to enact laws empowering and regulating public employee collective bargaining
- PERA (PA 365 of 1965) enacted under these provisions
- If Prop. 2 is adopted, everything is negotiable
- Potential conflict with 15 constitutional provisions
- Could strengthen municipal home rule and university autonomy



Proposal 3 – Renewable Energy

- Electric Utilities would have to provide at least 25% of retail electricity from renewable sources by 2025
 - Wind, solar, biomass, hydropower
 - Facilities located in Michigan
- Ability to pass costs on to customers limited to 1% per year
 - Could lengthen the time needed to reach 25%



Renewable Energy (continued)

- Is this constitutional material?
 - Current 10% standard in PA 295 of 2008
- Renewable energy dynamic field
 - Are we tying our hands together by putting provisions in constitution that is cumbersome to amend?
- Most constitutional provisions define and limit basic organs of power, state general principles, and declare the rights of the people
 - How could this be enforced?



Proposal 4 – Home Healthcare Workers

- Creates Michigan Quality Home Care Council
 - Tasked with:
 - Providing training opportunities
 - Providing register of employees
 - Providing set compensation standards
 - Coordinating personal assistance services
- Grants limited collective bargaining rights to home healthcare workers
 - No right to strike
 - No right to other public employee benefits
 - Medicaid/Medicare recipients retain all power to hire or fire personal assistance workers



Proposal 5 – 2/3 Voting Requirements

No new or additional taxes shall be imposed by the state government, nor shall it expand the base of taxation, nor shall it increase the rate of taxation unless: (a) by the vote of two-thirds of all the elected members of each branch of the Legislature; or (b) by a statewide vote of Michigan electors at a November election.

This section should in no way be construed to limit or modify the tax limitations otherwise created in this constitution.

- Would affect ability to implement state taxes
- Would not affect authorization of local taxes
- Would affect tax rate increases, tax base expansions, and enactment of new taxes
- Would not affect enactment of user fees, charges, or elimination of tax credits



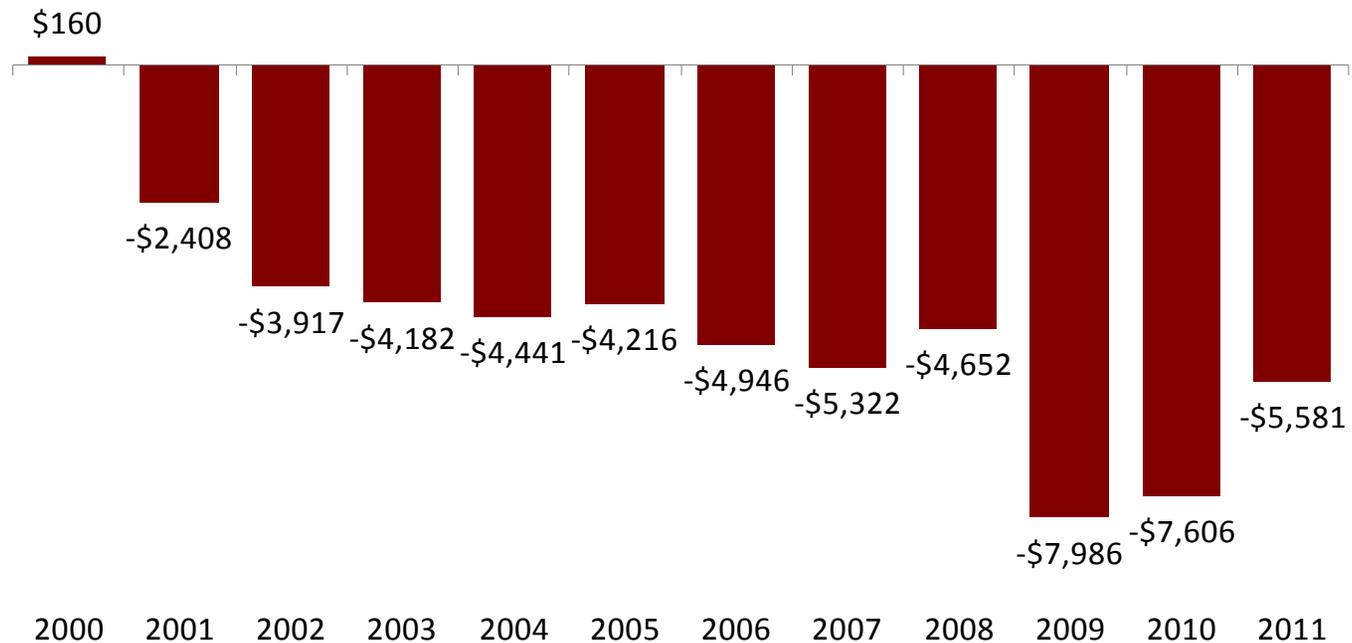
Vote Requirement (continued)

- 15 provisions in Michigan Constitution call for supermajority votes in each house of legislature
 - Enact local acts
 - Override gubernatorial veto
 - Submit question to voters re long-term borrowing
- Creates yet another tax limitation
 - State revenue limit
 - Sales tax rate limit
 - Prohibiting graduated income taxation
 - Taxable value cap
 - Headlee local government revenue limit



Michigan is \$5.6 billion under Section 26 State Revenue Limit

(millions of dollars)



Source: Michigan Department of Technology, Management, and Budget



Arguments for/against Proposal 5

- Protects against tax increases
- Michigan has not had a problem of state taxes taking increased percentages of personal income
- Requirement makes tax reform very difficult
- State may rely more on user fees and charges
- Fiscal Federalism – financial problems of higher up governments become the problems of lower level governments and other entities dependent on state revenues



Proposal 6 – International Crossings

- Voter approval needed before constructing or financing new “international bridges or tunnels”
 - Statewide vote and
 - Vote in municipality where crossing to be located
- Must be placed on ballot through citizen initiative
 - Legislature cannot place the question on the ballot



Intent is to Stop or Delay NITC Across Detroit River

- Would it do more?
 - Port Huron
 - Sault Ste. Marie
- Ambiguous Language
 - “New international bridges or tunnels for motor vehicles”
 - “*any* bridge or tunnel which is not open to the public and serving traffic as of January 1, 2012”
 - Does not mention the need that such a bridge or tunnel serve as an international crossing.
 - Could mean that *all* bridge and tunnel projects for which the State of Michigan (and its political subdivisions) is involved, that are not open to serve traffic as of January 1, 2012, will require statewide and municipal votes.
 - All current, as well as all future, bridge and tunnel projects in the state could require approval of state electors and voters in the municipalities where the projects are located at general elections



Interested in More Information?

- Papers can be found at election.crcmich.org
- Webinar on Proposals 1, 2, and 4 on October 8 at 2PM
- Webinar on Proposals 3, 5, and 6 on October 5 at 2PM
- Registration information at election.crcmich.org



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