Michigan Chamber of Commerce Urges State House to Reject $3.2 Billion Property Tax Increase

Lansing, MI

The Michigan Chamber of Commerce today testified in opposition to legislation under consideration by the State House Education Committee that would impose a property tax increase on homeowners and job providers conservatively estimated at $3.2 billion – an irresponsible act given Michigan's current economic climate.

"With home foreclosures in Michigan among the highest in the nation and homeowners paying higher taxes on lower property assessments, this property tax increase is completely irresponsible," said Michigan Chamber President & CEO Rich Studley. "In addition, nowhere in this legislation (House Bill 4313) is there a single cost-saving reform measure or any provision to improve student achievement."

Specifically, HB 4313 (Meadows, D-69, East Lansing) would expand the allowable uses of sinking fund taxes for school operating purposes.

"This anti-taxpayer legislation is an attack on Proposal A of 1994, which was overwhelmingly approved by Michigan voters and was instrumental in closing the funding gap between districts," noted Jim Holcomb, Vice President of Business Advocacy & Associate General Counsel for the Michigan Chamber. "This scheme would only widen the gap in per pupil spending and re-build the old, inequitable system of school finance."

Holcomb noted that since the passage of Proposal A, funding for school districts has grown substantially. "From the time Proposal A was passed in 1994 through 2008, the state saw a period of stable enrollment and low inflation," he said. "During this time, school operating revenues increased 99 percent, while revenues from school infrastructure taxes (debt, building and sinking funds) grew 269 percent. Yet, during this same period of time, most measures of academic achievement have remained flat or declined."

"Passage of HB 4313 would negatively impact residential and business property owners, especially senior citizens on fixed incomes, and break trust with the vast majority of Michigan citizens that supported Proposal A," said Studley. "We strongly urge the State House to reject this job-killing bill before it further damages home ownership and our state's business climate."

The Michigan Chamber of Commerce is celebrating its 50th year as a statewide business organization and represents about 7,000 employers, trade associations and local chambers of commerce. The Michigan Chamber was established in 1959 to be an advocate for Michigan's job providers in the legislative, political and legal process. It is only one of four state chambers of commerce in the nation accredited by the U.S. Chamber of Commerce.

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