



## Football Legend Visits With Legislators

Fraser Consulting, LLC was recently contacted by National Football League Hall of Famer, Jim Brown, in hopes that we could assist him in bringing Amer-I-Can to Michigan. He is touring the country promoting the Amer-I-Can program, a foundation he created in 1988. Fraser Consulting, LLC arranged a meeting between Mr. Brown and lawmakers on March 13, 2007 to discuss opportunities to halt community violence.

Amer-I-Can has trained more than 25,000 adult and juvenile inmates in over 30 correctional institutions in California; now Mr. Brown has his eyes on Michigan. He presented a plan to penetrate 12 Detroit and four Grand Rapids schools beginning in July. The program teaches basic coping skills and offers ongoing resources to sustain positive community contributions.

"I'm reaching out to Michigan, asking you to join forces with the Amer-I-Can Foundation," explained Brown. "Our weapons of choice in this war will be love and caring, education, economic consideration, family rebuilding, and consistency. I believe that these elements have been the underlying foundation of our continued success." For more information go to [www.amer-i-can.org](http://www.amer-i-can.org).



*Jim Brown*

## DEMS/GOP Seek Property Tax Relief

Democrats and Republicans are trying to gain political capital by sponsoring legislation that would provide taxpayer relief in the housing sector.

The House passed and sent to the Senate HB 4440, a bill that temporarily creates an 18-month moratorium on the "pop-up" property tax. Proposal A caps property tax increases at five-percent or the rate of inflation until ownership of a home in Michigan changes hands.

HB 4441 is tie-barred to that legislation and will, for the same period of time, increase the Real Estate Transfer Tax by one-tenth of one percent. Democrats believe together the bills will represent a net tax cut.

Meanwhile, House Republicans unveiled legislation prohibiting property tax increases exceeding the increase in market value. This establishes an independent appraisal as proof of value and places the burden on government to prove otherwise, bases property values on one year of sale rather than the common standard of two years, and limits the increase in taxable value that follows a home sale under Proposal A to soften the "pop-up" tax.

## Poll: Little Support For Granholm Tax Plan

A recent statewide poll determined 28 percent of Michigan adults support Governor Jennifer Granholm's two-cent tax on entertainment and services to solve the State's budget deficit; 80 percent oppose a tax increase to improve Michigan's roads.

55-to-62 percent support a 5 percent increase on estate asset taxes, and a 5-cent increase on wine, beer, mixed drinks and cigarettes.

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## Poll: Little Support For... continued

Seltzer & Company, an Iowa firm, polled 801 adult residents from March 11-16, 2007, for a Detroit newspaper and television station.

Governor Granholm's plan would raise \$1.5 billion a year in revenue, against a nearly \$1 billion budget deficit. The 2008 budget, beginning October 1, 2007, has a projected deficit of nearly \$3 billion if the Single Business Tax (SBT), which expires at the end of 2007, is not replaced. The SBT earns \$1.9 billion annually for the State.

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## GOP Introduces New "Best" Plan

Senate Republicans tweaked their BEST plan, designed to replace most of the \$1.9 billion generated by the Single Business Tax (SBT), expiring at the end of this year.

The new plan calls for elimination of the franchise tax, lowering the .72 percent tax rate to less than .70 percent, expanding the personal property tax exemption for manufacturers from a 10 percent reduction to 20 percent and expanding it to other commercial property, and eliminating the \$100 flat fee for businesses that have gross receipts of \$350,000 or less.

The plan also excludes business-to-business transactions in the calculation of gross receipts, and provides a five-year rather, than a three-year, tax exemption for companies that invest at least \$2 million in the State and create at least 20 jobs in the first year.

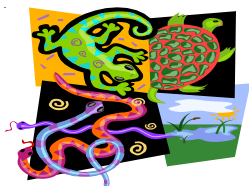
A \$20 million research and development credit is no longer included in the plan nor is an individual property tax exemption that would amount to an \$87 million cut in the first year impacting state and local government revenues.

According to Senate Republicans, the new plan would still result in a \$390 million net tax cut for business.

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## DEQ Wants Millions More in Permit Fees

Business requiring air, groundwater or wetland permits from the Department of Environmental Quality (DEQ) may need to watch their wallets.



DEQ claims it requires \$20 million more in fees from businesses to run these programs, or risk shutting them down and handing the task over to the federal government.

In testimony before the House DEQ Appropriations Subcommittee, George Bruchmann, Chief of the DEQ Waste and Hazardous Materials Division, said unless the fees are doubled to generate another \$1.2 million for his division, the State will be at a higher risk of hazardous waste spills.

The House DEQ Appropriations Subcommittee was asked to increase the cost of doing business in Michigan in the short term at the risk of seeing higher environment cost increases from the federal government.

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## Anti-Kreiner Bill in Senate

Legislation, HB 4301, allowing victims of vehicle crashes to sue in tort for damages related to pain and suffering is pending in the Senate after clearing the House on a party-line vote.

Known as the Kreiner bill, the action comes after the Michigan Supreme Court in 2004 ruled on *Kreiner v. Fischer*, 471 Mich. 109, 683 NW2d 611 (2004) making it almost impossible for persons seriously injured in an automobile crash to collect tort damages for pain and suffering.

Senate passage of the legislation is not likely; however, the measure may prompt negotiations with the insurance industry to discuss modifying the current no-fault insurance standards in exchange for seeking options that would keep premiums down.

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## Another Tribal Casino On Way

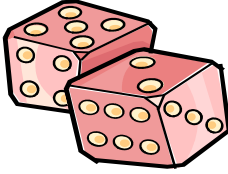
Governor Jennifer Granholm signed a Class III Gaming Compact with the Match-E-Be-Nash-She-Wish Band of Pottawatomi Indians, otherwise known as the Gun Lake Tribe. The agreement sets the stage for legislative approval.

The compact signing comes after a U.S. District Judge ruling against efforts by Michigan Gambling Opposition (MichGO) to block the tribe from getting land in trust for construction of a casino.

The only thing stopping a casino would be politics, but it appears the necessary elements are now in

place for the Legislature to ratify the deal agreed to between Governor Granholm and Gun Lake Tribal Chairman, D.K. Sprague.

John Helmholdt, spokesman for '23 is Enough, an anti-casino group, argues that Governor Granholm's action was premature because the tribe does not yet possess land in trust. He said the State should work to get more tax revenue from the 11 existing Indian gaming casinos before approving a new one.



\$14.18 on all State no-fault auto insurance policies.

The new assessment will be \$123.15 per vehicle. It is the second consecutive fee reduction. The fee pays for medical care of those severely injured in auto accidents and who require more than \$420,000 in care.

MCCA estimates 1,300 people will require the catastrophic coverage in the coming year. It paid out \$668 million in claims during 2006. Please drive safely.

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## We Want to Hear From You

Fraser Consulting is interested in our clients' opinions about the services they receive. In the upcoming weeks, an invitation to participate in a survey will be emailed to firm clients.

We would appreciate your participation. Your feedback is important to the firm and will help frame our future.



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## What is the Impact of Prop 2?

If the Michigan Civil Rights Commission (MCRC) is correct, only 18 percent of State department and agency-level programs may be in jeopardy under Proposal 2, the Michigan Civil Rights Initiative (MCRI) approved by voters last fall.

The 66 page report, entitled "One Michigan at the Crossroads: An Assessment of the Impact of Proposal 06-02 by the Michigan Civil Rights Commission," was completed at the request of Governor Jennifer Granholm.

Michigan Department of Civil Rights Director, Linda Parker, said the MCRI does not eliminate all affirmative action programs and does not end equal opportunity or the critical pursuit of diversity and inclusion in the State. She also noted the report does not constitute legal advice.

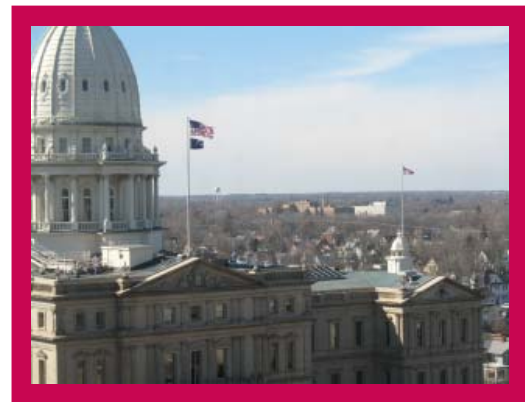
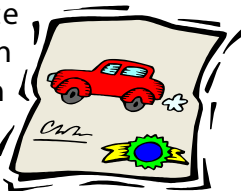
Michigan Attorney General, Mike Cox, called the report a "political document...not really a serious analysis." Attorney General Cox said if the document is followed it could result in more legal challenges to the State.

The full report is available on the Department of Civil Rights Web site at: [www.michigan.gov/mdcr](http://www.michigan.gov/mdcr)

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## Look for Slight Drop in Vehicle Insurance Rates

Beginning July 1, 2007, Michigan motorists will pay less for annual insurance premiums, because the Michigan Catastrophic Claims Association (MCCA) is reducing its surcharge by



*A view of the Capitol from Fraser Consulting's conference room.*