



The League of Women Voters of Michigan's Positions on November, 2012 State Ballot Issues

September 8, 2012

PROPOSAL 12-1- A REFERENDUM ON PUBLIC ACT 4 OF 2012, THE EMERGENCY MANAGER LAW.

Public Act 4 of 2011 would:

Establish criteria to assess the financial condition of local government units, including school districts.

Authorize Governor to appoint an emergency manager (EM) upon state finding of a financial emergency, and allow the EM to act in place of local government officials.

Require EM to develop financial and operating plans, which may include modification or termination of contracts, reorganization of government, and determination of expenditures, services, and use of assets until the emergency is resolved.

Alternatively, authorize state-appointed review team to enter into a local government approved consent decree.

Should this law be approved?

YES ___

NO ____

Position of LWVMI:

LWVMI recommends a “no” vote on Proposal 12-1. A “no” vote means PA 4 of 2011 is not approved and PA 72 of 1990 continues in effect. It is important to note that LWVMI bases its opposition on the LWV position that states: “Promote an open governmental system that is representative, accountable and responsive.” (See LWVUS “Impact on Issues, 2010-2012”)

One of the new provisions of PA 4 allows the emergency manager (EM) to determine the powers of elected officials upon the declaration of receivership and during the period in which it is in effect. The governing body and the chief administrative officer of the local government cannot exercise any of the powers of those offices except as may be specifically authorized in writing by the emergency manager. Local elected officials are essentially removed from the governing process by the EM. Elected government officials in Benton

Harbor, Ecorse and Pontiac as well as the Detroit School District, have been denied the power to function by the EM.

Under the new law, the EM is appointed by the Governor after the review team has confirmed the finding of financial emergency. There is a provision for local governments to appeal the decision to the Ingham County Circuit Court, Section 15. The EM serves at the pleasure of the governor and is subject to impeachment and conviction by the legislature and can be removed by a 2/3rds vote of the legislature.

It is also important to note that there are many other provisions in the new law dealing with such issues as contracts, etc. on which LWVMI has no position.

For more information, go to www.standup4democracy.com.

**PROPOSAL 12-3 - A PROPOSAL TO AMEND THE STATE CONSTITUTION
TO ESTABLISH A STANDARD FOR RENEWABLE ENERGY**

This proposal would:

Require electric utilities to provide at least 25% of their annual retail sales of electricity from renewable energy sources, which are wind, solar, biomass, and hydropower, by 2025.

Limit to not more than 1% per year electric utility rate increases charged to consumers only to achieve compliance with the renewable energy standard.

Allow annual extensions of the deadline to meet the 25% standard in order to prevent rate increases over the 1% limit.

Require the legislature to enact additional laws to encourage the use of Michigan made equipment and employment of Michigan residents.

Should this proposal be approved?

YES

NO

Position of LWVMI:

LWVMI recommends a “yes” vote on Proposal 12-3. A “yes” vote means electric utilities must provide at least 25% of their electricity from renewable sources by 2025. It is important to note that LWVMI bases its support on the LWV position that states: “Natural Resources: The League supports predominant reliance on renewable resources; and action by appropriate levels of government to encourage the use of renewable resources through rate-setting policies and mandatory standards.” (See LWVUS “Impact on Issues, 2010-2012”)

The ballot proposal amends the Michigan Constitution to require that 25% percent of Michigan's energy come from renewable sources such as wind, solar and biomass by 2025. It limits rate increases charged to consumers to not more than 1% per year. It allows annual extensions of the deadline to meet the standards to prevent rate increases over the 1%. The proposal also requires the Legislature to enact additional laws to encourage the use of Michigan-made equipment and employment of Michigan residents.

For more information, go to www.MiEnergyMiJobs.com .

**PROPOSAL 12-5- A PROPOSAL TO AMEND THE STATE CONSTITUTION TO
LIMIT THE ENACTMENT OF NEW TAXES BY STATE
GOVERNMENT**

This proposal would:

Require a 2/3 majority vote of the State House and the State Senate, or a statewide vote of the people at a November election, in order for the State of Michigan to impose new or additional taxes on taxpayers or expand the base of taxation or increasing the rate of taxation.

This section shall in no way be construed to limit or modify tax limitations otherwise created in this Constitution.

Should this proposal be approved?

YES ___

NO ___

Position of LWVMI:

LWVMI recommends a “no” vote on Proposal 12-5. A “no” vote continues the current system where a simple majority vote of the Legislature is needed to enact new or additional taxes or expand the base of taxation or increase tax rates. It is important to note that LWVMI bases its opposition on the LWVMI position that states: “Taxation & Budgeting: LWVMI supports the development of a state-local tax structure which is adequate, equitable, flexible and moderately progressive. The Legislature should have broad and fundamental taxing powers, free of constitutional restrictions except for constitutional provisions requiring a balanced budget and property tax millage limits.” (See LWVMI positions on our website.)

If this amendment to the Michigan Constitution passed, a small minority in the Legislature would control what happens with taxes unless there was a general election on this issue. This proposal would not allow the flexibility to govern during difficult times.

For more information, go to <http://defendmidemocracy.com>.

LWVMI has no position on 12-2, 12-4, 12-6 ballot proposals.