



## HOUSE OF REPRESENTATIVES

### COMMITTEE ON TAX POLICY

REP. CYNTHIA NEELEY

CHAIR

## COMMITTEE MEETING MINUTES

Wednesday, September 27, 2023      12:00 PM      Room 521, House Office Building

The House Committee on Tax Policy was called to order by Chair Neeley.

The Chair requested attendance be called:

Present: Reps. Neeley, Farhat, Brixie, Brenda Carter, Whitsett, Grant, Price, VanWoerkom, Markkanen, Outman, Tisdell, Hoadley.

Absent: None.

Excused: None.

Representative Farhat moved to adopt the meeting minutes from September 13, 2023. There being no objection, the motion prevailed by unanimous consent.

The Chair laid HB 4966, HB 4967, HB 4968, HB 4969 and HB 4970 before the committee:

HB 4966 (Rep. Young)

A bill to provide for the authorization and levy of a specific tax in lieu of certain ad valorem property taxes for purposes of improving equity in the taxation of property and to encourage the development of property within the boundaries of certain cities and local units of government; to prescribe the powers, duties, and jurisdictions of those cities and local units of government, and certain local and state officials, in the authorization and levy of the specific alternative tax and for the administration of this act; to limit the levy of certain ad valorem property taxes and exempt certain property from the collection of certain ad valorem property taxes within cities and local units of government qualified to levy the specific alternative tax; to regulate the levy, collection, and distribution of the specific alternative tax within the jurisdiction of each city

or local unit of government qualified to levy the specific alternative tax; to create and provide for the modification of certain credits and exemptions against the specific alternative tax in certain circumstances in order to enhance the equitable purposes and objectives of this act; to provide for the exemption from certain taxes; and to provide for the powers and duties of certain state and local governmental officers and entities.

HB 4967 (Rep. Whitsett)

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending sections 2, 78a, and 89b (MCL 211.2, 211.78a, and 211.89b), section 2 as amended by 2002 PA 620, section 78a as amended by 2014 PA 499, and section 89b as amended by 2008 PA 512, and by adding section 7yy.

HB 4968 (Rep. Farhat)

A bill to amend 2003 PA 260, entitled "Tax reverted clean title act," by amending section 5 (MCL 211.1025), as amended by 2016 PA 151.

HB 4969 (Rep. Young)

A bill to amend 1992 PA 147, entitled "Neighborhood enterprise zone act," by amending section 9 (MCL 207.779), as amended by 2005 PA 340.

HB 4970 (Rep. Young)

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 512a (MCL 206.512a), as added by 2003 PA 28.

Brian Shoaf, representing the Detroit Regional Chamber, testified in support of HB 4966, HB 4967, HB 4968, HB 4969 and HB 4970.

Toinu Reeves testified in opposition to HB 4966, HB 4967, HB 4968, HB 4969 and HB 4970. Questions and discussion followed.

Debra Mayfield Guilbeaux, representing Detroiters for Tax Justice, testified in opposition to HB 4966, HB 4967, HB 4968, HB 4969 and HB 4970.

Russ Bellant, representing Detroiters for Tax Justice, testified in opposition to HB 4966, HB 4967, HB 4968, HB 4969 and HB 4970.

Theo Pride, representing Detroiters for Tax Justice, testified in opposition to HB 4966, HB 4967, HB 4968, HB 4969 and HB 4970.

Minnie Hyman, representing Detroiters for Tax Justice, testified in opposition to HB 4966, HB 4967, HB 4968, HB 4969 and HB 4970.

Patricia Cortner, representing Detroiters for Tax Justice, testified in opposition to HB 4966, HB 4967, HB 4968, HB 4969 and HB 4970.

Joyce E. Jennings, representing the Residents, Mothers, Children of Detroit, testified in opposition to HB 4966, HB 4967, HB 4968, HB 4969 and HB 4970.

Jocelyn Harris, representing the Residents of Detroit, testified in opposition to HB 4966, HB 4967, HB 4968, HB 4969 and HB 4970.

Kinda Makini Anderson, representing the Residents of Detroit, testified in opposition to HB 4966, HB 4967, HB 4968, HB 4969 and HB 4970.

Cynthia A. Johnson, representing the Residents of Detroit, testified in opposition to HB 4966, HB 4967, HB 4968, HB 4969 and HB 4970.

Santana Hill, Tom Choske, and Joanna Underwood, representing Detroit City Councilmember Mary Waters, testified with a neutral position on HB 4966, HB 4967, HB 4968, HB 4969 and HB 4970.

The following person submitted a card with a neutral position on HB 4966, HB 4967, HB 4968, HB 4969 and HB 4970, but did not wish to speak:

Amanda West, representing the Michigan Department of Treasury.

The following people submitted a card in support of HB 4966, HB 4967, HB 4968, HB 4969 and HB 4970, but did not wish to speak:

Jacob Manning, representing the Small Business Association of Michigan.

John LaMacchia, representing the Michigan Municipal League.

Elizabeth Funches Core, Andrea Funches, Ora Brown-Davis, Carol Adams, and Jefferson Chalmers, representing the Residents of Detroit.

McDougall Hunt Neighborhood Association.

East Canfield Chene Neighborhood Association.

Kenyatta Block Club.

Grassroots Detroiters 48207-11.

Peggy Noble, representing the College Park Block Club.

Cornerstone and Yorkshire Block Club Association.

Denby Alliance.

John Gromer, Lifeskills and Job-Rediness Coach with Too Many Incarcerations Detroit.

Bishop Edgar Vann, representing the Second Ebenezer Church.

Negus Vu, representing The Peoples Action Detroit.

Tefesi Brent, representing the Fellowship Chapel Detroit.

Pastor Nathan Caldwell, representing the Mount Vernon Missionary Baptist Church.

Pastor Robert Olive, representing the Detroit Chapter of Nation Outside.

Darryl Woods, Jr., representing Fighting the Good Fight.

Sheila Cockrel.

At 12:58 PM, the Chair laid the committee at ease.

At 1:00 PM, the Chair called the committee back to order.

Representative Farhat moved to adopt substitute (H-1) to HB 4966. The motion prevailed 10-1-0:

FAVORABLE ROLL CALL

Yeas: Reps. Neeley, Farhat, Brixie, Brenda Carter, Whitsett, Grant, Price, VanWoerkom, Outman, Tisdel.

Nays: Rep. Markkanen.

Pass: None.

David Palmer, representing the Detroit City Council Equitable Task Force, testified with a neutral position on HB 4966, HB 4967, HB 4968, HB 4969 and HB 4970.

The Chair laid HB 4979 before the committee:

HB 4979 (Rep. Hill)

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 10g (MCL 211.10g), as added by 2018 PA 660.

Representative Hill, Peter Morman and David Buick, representing the Michigan Department of Treasury, testified in support of HB 4979.

At 1:11 PM, the Chair laid the committee at ease.

At 1:13 PM, the Chair called the committee back to order.

The following person submitted a card in support of HB 4979, but did not wish to speak:  
Judy Allen, representing the Michigan Townships Association.

Representative Farhat offered the following amendment to HB 4979:

1. Amend page 11, line 28, after "**or**" by striking out "**no**" and inserting "**an**".

Representative Farhat moved to adopt the amendment to HB 4979. The motion prevailed 12-0-0:

#### FAVORABLE ROLL CALL

Yeas: Reps. Neeley, Farhat, Brixie, Brenda Carter, Whitsett, Grant, Price, VanWoerkom, Markkanen, Outman, Tisdel, Hoadley.

Nays: None.

Pass: None.

Representative Farhat moved to report out HB 4979 with recommendation, as amended, as substitute (H-1) . The motion prevailed 7-0-5:

#### FAVORABLE ROLL CALL

Yeas: Reps. Neeley, Farhat, Brixie, Brenda Carter, Whitsett, Grant, Price.

Nays: None.

Pass: Reps. VanWoerkom, Markkanen, Outman, Tisdel, Hoadley.

The Chair laid HB 4724 before the committee:

HB 4724 (Rep. Price)

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending sections 506, 520, 522, and 530 (MCL 206.506, 206.520, 206.522, and 206.530), section 506 as amended by 1996 PA

484, sections 520 and 522 as amended by 2015 PA 179, and section 530 as amended by 2011 PA 38.

An amendment was adopted for HB 4724 at the September 13th, 2023 meeting.

Representative Price moved to report out HB 4724 with recommendation, as amended, as substitute (H-1) . The motion prevailed 7-0-5:

**FAVORABLE ROLL CALL**

Yeas: Reps. Neeley, Farhat, Brixie, Brenda Carter, Whitsett, Grant, Price.

Nays: None.

Pass: Reps. VanWoerkom, Markkanen, Outman, Tisdell, Hoadley.

The committee returned to consideration of HB 4966, HB 4967, HB 4968, HB 4969, and HB 4970.

Representative Grant moved to report out HB 4966 with recommendation, as substitute (H-1). The motion did not prevail 6-2-4:

**UNFAVORABLE ROLL CALL**

Yeas: Reps. Neeley, Farhat, Brixie, Brenda Carter, Whitsett, Price.

Nays: Reps. Outman, Hoadley.

Pass: Reps. Grant, VanWoerkom, Markkanen, Tisdell.

At 1:17 PM, the Chair laid the committee at ease.

At 4:10 PM, the Chair called the committee back to order.

The Committee returned to consideration of HB 4966, HB 4967, HB 4968, HB 4969, and HB 4970.

Representative Farhat moved to reconsider the vote by which HB 4966, as substitute (H-1), failed to be reported. The motion prevailed 7-5-0:

**FAVORABLE ROLL CALL**

Yeas: Reps. Neeley, Farhat, Brixie, Brenda Carter, Whitsett, Grant, Price.

Nays: Reps. VanWoerkom, Markkanen, Outman, Tisdell, Hoadley.

Pass: None.

Representative Grant moved to withdraw the motion to report HB 4966, as substitute (H-1). There being no objection, the motion prevailed by unanimous consent.

Representative Grant offered the following amendment to the (H-1) substitute to HB 4966:

1. Amend page 8, following line 26, by inserting:

"(2) Upon the request of the city council, the governing body of a qualified city or qualified local unit of government may adopt a resolution for the submission of a question to its electors to approve a reduction, for the calendar year following approval by the electors, of the maximum levy of the land value tax previously approved by the electors and the

reduction of the level of authorized ad valorem millage that may be designated as qualified taxes. If a reduction in the levy of the land value tax is approved by the electors, the amount of the reduction in the level of authorized ad valorem millage that may be designated as qualified taxes must be determined at the conversion rate for the first year in which the equivalent land value tax rate was imposed. If a reduction in the levy of the land value tax is approved by the electors, the equivalent land tax rate reduction approved by the electors must not be levied as part of the land value tax and the authorized ad valorem millage rate that is no longer qualified to be designated as qualified taxes may be reimposed as an ad valorem levy." and renumbering the remaining subsection.

Jay Rice, CFO for the City of Detroit, spoke to Representative Grant's amendment. Questions and discussion followed.

Representative Grant moved to adopt the amendment to the (H-1) substitute to HB 4966. The motion prevailed 7-0-5:

#### FAVORABLE ROLL CALL

Yeas: Reps. Neeley, Farhat, Brixie, Brenda Carter, Whitsett, Grant, Price.

Nays: None.

Pass: Reps. VanWoerkom, Markkanen, Outman, Tisdell, Hoadley.

Representative Farhat moved to report out HB 4966 with recommendation, as amended, as substitute (H-2). The motion prevailed 7-0-5:

#### FAVORABLE ROLL CALL

Yeas: Reps. Neeley, Farhat, Brixie, Brenda Carter, Whitsett, Grant, Price.

Nays: None.

Pass: Reps. VanWoerkom, Markkanen, Outman, Tisdell, Hoadley.

Representative Farhat moved to report out HB 4967 with recommendation. The motion prevailed 7-0-5:

#### FAVORABLE ROLL CALL

Yeas: Reps. Neeley, Farhat, Brixie, Brenda Carter, Whitsett, Grant, Price.

Nays: None.

Pass: Reps. VanWoerkom, Markkanen, Outman, Tisdell, Hoadley.

Representative Brixie moved to report out HB 4968 with recommendation. The motion prevailed 7-0-5:

#### FAVORABLE ROLL CALL

Yeas: Reps. Neeley, Farhat, Brixie, Brenda Carter, Whitsett, Grant, Price.

Nays: None.

Pass: Reps. VanWoerkom, Markkanen, Outman, Tisdell, Hoadley.

Representative Farhat moved to report out HB 4969 with recommendation. The motion prevailed 7-0-5:

#### FAVORABLE ROLL CALL

Yeas: Reps. Neeley, Farhat, Brixie, Brenda Carter, Whitsett, Grant, Price.

Nays: None.

Pass: Reps. VanWoerkom, Markkanen, Outman, Tisdell, Hoadley.

Representative Farhat moved to report out HB 4970 with recommendation. The motion prevailed 7-0-5:

**FAVORABLE ROLL CALL**

Yeas: Reps. Neeley, Farhat, Brixie, Brenda Carter, Whitsett, Grant, Price.

Nays: None.

Pass: Reps. VanWoerkom, Markkanen, Outman, Tisdell, Hoadley.

There being no further business before the committee, Chair Neeley adjourned the meeting at 4:18 PM.

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Representative Cynthia Neeley, Chair

Edward Sleeper  
Committee Clerk  
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