

# THE JACOBS CAPITOL REPORT

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## MICHIGAN WARMING TO PROPERTY TAX FREEZE Home Buyers May Get Break from Prop A

House Democrats have proposed legislation that would give home buyers an 18-month reprieve from Michigan's uniquely large property tax hikes. The plan was designed by lawmakers as a potential jolt to Michigan's slumbering real estate market.

The package of bills would eliminate the "Pop-Up Tax" and allow the purchaser of a home to inherit the seller's tax bill and pay less than current law provides. The 18-month moratorium would apply to homes bought and sold between March 1, 2007 and Sept. 1, 2008.

"Pop-up" taxes are the legacy of restrictions on property taxes mandated by passage of Proposal A in 1994. Under Proposal A, taxes are kept artificially low until a house is sold. When the house is sold, the new owner is taxed at a higher, uncapped rate.

"This package is designed to jumpstart Michigan's economy by increasing home sales, and it has the added benefit of creating stronger communities by empowering more of our residents to buy homes of their own," said House Speaker Andy Dillon (D-Redford). "Consumers who spend less on their homes have more money to spend on big-ticket items, such as furniture and appliances, which pumps more money into the local economy. This plan will bring relief to consumers, help jumpstart the real estate industry and boost our economy."

"These so called 'pop-up' taxes are a huge financial obstacle to new homebuyers," said Senator Gilda Z. Jacobs (D-Huntington Woods). For years, Jacobs has been one of the few legislators willing to question and debate the unintended consequences of Proposal A. "It's a disincentive to move and it's hurting our real estate market. Folks wanting to down-size can't afford to do so. The same can be said of people in need of barrier-free residences as they grow older: they're stuck because of the impending tax bill."

A tandem package of legislation calls for a state-backed second mortgage to provide six months of foreclosure protection to people who have lost their jobs. To qualify, they'd have to have at least 20 percent equity in their

homes.

"We cannot afford not to act," said Rep. Steve Tobocman, D-Detroit, one of the sponsors.

Michigan ranks second in the nation in foreclosures, with 11,500 in January alone.

The proposals have been discussed with Gov. Jennifer Granholm and Senate Majority Leader Mike Bishop, R-Rochester; both have shown interest, said Speaker Dillon. He added that lawmakers also are working on a formula to permanently modify the "pop-up" property tax increase once the 18 months has expired.

### ANTI-BULLYING BILLS: NEW LIFE IN DEM HOUSE

Committee: [Schools Need to Recognize Problem](#)

Amidst accusations from a "pro-family" group that the bills are part of a "gay rights" agenda, the House Education Committee is posed to move a package of anti-bullying bills to the full House next week. Despite the opposition from Gary Glenn and his American Family Association, the bills appear to have overwhelming support.

Under HB 4162 and HB 4091, local boards of education and intermediate school districts (ISDs) would be required within six months to hold at least one public hearing on how to address bullying problems. The hearing could be conducted on school grounds, on a school bus or over a school-sponsored Internet hook-up.

Under the bills, school districts would have a year to report to the Department of Education the status of anti-bullying policies. The Department, in turn, would report to the Legislature, which could take further action against schools that don't comply.

Glenn and his Family Association took exception to a section of the bill that bans harassment against a student based on his or her "height, weight, religion, race, color, ancestry, national origin, age, sex, sexual orientation or gender identity or expression, or by socioeconomic status or a mental, physical or sensory disability or impairment."

"Homosexual activists and their allies' real agenda is clear: secure passage of an unnecessary state mandate that requires public school officials to legitimize and protect the practice of homosexual behavior by formally recognizing such behavior as the basis for offering specially designated protection to students who engage in it," Glenn said.

The vast majority of testimony before the committee was supportive, including that from parents of bullying victims.

A man from East Lansing talked about how his 8th grade son committed suicide after his school district and local police failed to take action in response to hazing incidents.

A Holland parent testified about a beating that snapped the nose of her 8-year-old son. The incident was caught on a school bus video tape, but the school district refused to do anything about it other than suspend the bully from the bus for a day and later assign him to a regular seat.

The committee is expected to formally report the bills to the House floor in the next two weeks. House passage seems likely, but their fate in the Republican-controlled Senate is less certain.

Sen. Buzz Thomas (D-Detroit), who sponsored similar legislation in past sessions, was among those testifying in favor of the bill.

### **CHECK OUT THE Rx PRICE FINDER** [MDCH Helps Consumers](#)

As most consumers know, the prices of prescription drugs can vary from pharmacy to pharmacy. The Michigan Department of Community Health (MDCH) has created a website to help the citizens of Michigan compare prices among pharmacies, since drug prices typically are not advertised or even displayed.

Provided on the site are the prices for 30 of the most commonly used drugs in Michigan, as reported by the MDCH's Medical Services Administration. The prices are obtained from many of the State's retail pharmacies. The web site allows citizens to search for information on particular listed drugs in a geographic region by pharmacy.

The prices reflected on the Rx Price Finder are prices that pharmacies reported to the Michigan Medicaid Program as their "usual and customary" prices. In most cases, these prices reflect the price for generic drugs. There are, in fact, a few drugs where no generic is available – in those instances, brand pricing must be used.

Prices are reported each time a pharmacy fills a prescription for a drug on the list in this survey. Some pharmacies may not have filled a prescription for a drug during the survey period. Those pharmacies will not have any price information listed for that particular drug. When this event occurs, a "N/A" will be displayed in the results.

Other pharmacies may have filled many prescriptions for a particular drug during the survey time period and reported different prices for the same drug. In those instances, the Rx Finder will reflect the most recently reported price.

The “usual and customary” price should be comparable to what a cash-paying customer without insurance would pay. This price does not reflect any discounts a customer might receive while purchasing a prescription drug.

Prescription drug prices can vary from day to day, so the price that you find at your pharmacy may not be the same price that appears in Rx Finder. Please note that some pharmacies only service Long-Term Care facilities. In those instances the prices reflect the price for a facility and not a retail pharmacy cash-paying customer.

Pricing information was last updated on March 9, 2007 and reflects prices for Medicaid prescriptions filled during the period of September 9, 2006 through February 21, 2007.

The Rx price finder is available at: <http://www.mdch.state.mi.us/rxapp/>.

If you have questions you may call 1-866-755-6479.

Since the Rx web site is updated on a bi-weekly basis, you might want to call ahead to your pharmacy of choice to check the latest prescription drug price before traveling to purchase a prescription drug.

## WIT, WISDOM, ETC . . .

### Quotables

“One should never place one’s trust in the future. It doesn’t deserve it.”  
-Andre Chamson

“The best way to keep children at home is to make the home atmosphere pleasant—and let the air out of the tires.”  
-Dorothy Parker

Quote of the Week: Aldo Vagnozzi

"I, too, was harassed for being short, but it went over my head."

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<http://www.legislature.michigan.gov/> .

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State Senator Gilda Jacobs represents the 14th Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Campaign & Election Oversight Committee. She also serves on the Finance, Economic Development & Regulatory Reform, and Health Policy Committees.

Constituents of the 14th District may contact Senator Jacobs at [sengjacobs@senate.michigan.gov](mailto:sengjacobs@senate.michigan.gov) or toll-free at 1-888-937-4453.

This newsletter is produced in single-space form in order to save paper and transmission costs.

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