
CITY OF ROCHESTER HILLS

Fiscal

Julie Jenuwine, ext 2535

DATE: September 6, 2006

TO: Financial Serv. Committee

RE: SOS Michigan Constitutional
Amendment

There is a potential ballot proposal called "Stop OverSpending" that may appear on the November 7, 2006 election, amending the Michigan constitution. If passed the amendment will put strict tax and spending limits on both state and local governments. It is not known at this time if it qualifies, but MML reports that it should be known by September 12, 2006.

Local Affect

MML indicates that the proposal amends Article 9, section 31 of the State constitution "to prohibit the charging of any new local excise, special assessment or mandatory user fee as well as increasing the amount of a mandatory user fee already in place. If adopted, the impact of this new language will mean increased costs to taxpayers through more elections and 'bed-sheet' ballots as voter approval will be required for everything from special assessments for neighborhood improvements to bonding measures for infrastructure and perhaps every license fee charged..". The language is being interpreted to require voter approval for any local government that incurs any form of multi-year indebtedness, bonding with TIF monies and voter approval (city-wide) for any special assessments.

State Affect

MML is indicating that this initiative would amend the Headlee provisions of the State constitution to add a new separate spending limit to the State constitution, limiting the amount of spending to the rate of inflation plus the growth in population.

I will provide additional information regarding this initiative when it's available.