

THE AMERICAN LEGION, DEPARTMENT OF MICHIGAN

RESOLUTION: #24-12

SUBMITTED BY: Department Legislative Committee

SUBJECT: Support Funding to Reimburse Local Units of Government

RESOLUTION

WHEREAS, The American Legion, Department of Michigan continues to support local units of government; and

WHEREAS, The American Legion, Department of Michigan continues to support Veterans who qualify for the State mandated property tax exemption; and

WHEREAS, Local taxing units take the full loss of tax revenue lost due to this State mandated benefit to qualifying veterans; and

WHEREAS, The Constitution of the State of Michigan of 1963, Article IX (9), subsection 25, reads in part: *"The state is prohibited from requiring any new or expanded activities by local governments without full state financing, from reducing the proportion of state spending in the form of aid to local governments, or from shifting the tax burden to local government."*; and

WHEREAS, The Constitution of the State of Michigan further states in Article VII (7), subsection 34, reads in part: *"The provisions of this Constitution and law concerning counties, townships, cities and villages shall be liberally construed in their favor."*; and

WHEREAS, The law that was enacting this benefit to Veterans who qualify for it was SB 352 that passed in 1973, reads in part: *"each local taxing unit shall bear the loss of its portion of the taxes upon which the exemption has been granted"*; and

WHEREAS, The law that was enacted some ten (10) years after the Michigan Constitution passage in 1963 clearly violated the Michigan Constitution; and

WHEREAS, This benefit has been a great assistance to Veterans who receive it; and

WHEREAS, This benefit has given the Veterans receiving it an opportunity to keep or buy homes in the State of Michigan; and

WHEREAS, This benefit has given Veterans receiving it the extra funds to feed, clothe and provide suitable housing for themselves and their families; and

WHEREAS, The American Legion, Department of Michigan recognizes that there is a cost associated with this benefit to local units of Government; and

WHEREAS, The American Legion, Department of Michigan would like to see this cost shifted to the State, as called for in the Michigan Constitution; and

WHEREAS, We recommend the State find the sources of continued funding to pay back the local units of Government for their loss of tax revenue; and

WHEREAS, Two possible sources of funding are a change in the laws of Public Act 96 of 2023 (university sales of alcohol) and/or Michigan Bottle Law escheat (unclaimed deposits that revert back to the State) and is collected by the State; and

WHEREAS, Either or both of these changes in law should include a portion of the funds collected above be used by the State to pay back the local units of Government for their loss; and

WHEREAS, Any excess funds from the collection of the portion paid to local units of Government should be directed to the Michigan Veterans Trust Fund; now, therefore, be it

RESOLVED, By The American Legion, Department of Michigan, in annual Department Winter Meeting, assembled in Flint, Michigan, February 10-11, 2024, That the State of Michigan keep this benefit as it is for all veterans who qualify for it or even expand it to more veterans and spouses who would qualify for this benefit; and, be it

FINALLY RESOLVED, That the American Legion, Department of Michigan will support all efforts to establish State funding for local units of Government to reimburse local units of Government for their loss of tax revenue if there is no effort to reduce this benefit to Veterans.

APPROVED

APPROVED REJECTED _____ REFERRED TO _____ APPROVED w/AMEND _____