

NFIB 2012 Michigan Ballot Proposal Summary

Six proposals have made it through the process of approval with the State Board of Canvassers and various court challenges and will appear on the 2012 general election ballot in November. They are numbered one through six and are listed below with their official assigned ballot numbers and a brief summary of the NFIB/Michigan position:

Proposal 1 – Referendum on PA 4 the Emergency Manager Act of 2011.

NFIB Position: Support Public Act 4– Vote YES.

This proposal is called the “Stand up for Democracy” initiative by its supporters. While the other proposals seek to amend the State Constitution, this is an initiative referendum that allows all voters in the state to determine the fate of a public act already passed by the legislature. Public Act 4, also known as the Financial Emergency Manager Law, allows the state to intervene when a local unit of government (such as a school district, city, county etc.) is under threat of insolvency. The law grants broad powers to an appointed Emergency Manager to override contracts, including union contracts, purchasing contracts etc. and local government officials in order to take steps to bring the government unit in question into solvency. Labor unions are the primary advocates seeking to overturn this law because it is often generous government union employee contracts that are at the heart of the financial woes pushing a unit of government to bankruptcy. Because this is a vote for or against Public Act 4, there will be confusion for many voters as a YES vote supports the law and a NO vote would repeal the Act. This is an advantage for the labor unions as they are the primary advocates for ending the Public Act and most voters, when unsure how to vote on an issue, will vote NO – thereby repealing the Act. NFIB members have made it clear through past member votes that they want generous government employee pay and benefits brought into line with the private sector. A YES vote supports the small business position on this proposal.

Proposal 2 – A proposal to amend the Constitution to guarantee union collective bargaining contracts could not be changed by any legislature, Governor, or other authority.

NFIB Position: Oppose Proposal 2 - Vote NO.

Known by its supporters as the “Protect Our Jobs” proposal, Proposal 2 seeks to establish union collective bargaining rights in the state constitution. The proposal is being pursued by a collection of labor unions unhappy with efforts by state lawmakers and the governor to put limits on government employee benefits in collective bargaining agreements. This proposal would also effectively render Public Act 4 (see Proposal 1 summary) ineffective. If passed, the proposal would reverse a number of current state laws that seek to make government employees more accountable and rein in pay and benefit costs. Recent laws requiring government employees to pay a part of their health and retirement benefits would be effectively repealed. This proposal would also make it impossible for any kind of effective Right-to-Work law to ever be passed in Michigan. NFIB members have voiced opposition to this specific proposal in a special member survey. A NO vote supports the small business position on this proposal.

Proposal 3 - A proposal to amend the Constitution to require electric utilities to provide at least 25% of their annual retail sales of electricity from renewable energy sources.

NFIB Position: Oppose Proposal 3 - Vote NO.

Known by its supporters as the “25 by 25” proposal, Proposal 3 would require that 25 percent of Michigan’s energy come from renewable sources such as wind, solar and biomass by 2025. The primary advocates of this proposal are environmental groups and “green energy” interests that stand to gain financially from a forced quota of green energy. Recent headlines about bankrupt solar and wind companies should caution anyone against mandating electric companies provide a set percentage of renewable energy guaranteed by the Constitution. Since most of these technologies cannot sustain themselves in the free market, the extra cost of meeting the 25 percent quota has to be covered by all rate payers resulting in higher energy costs for everyone. NFIB members have voiced opposition to this specific proposal in a special member survey. A NO vote supports the small business position on this proposal.

Proposal 4 – A proposal to amend the Constitution to allow an arrangement by Service Employees International Union (SEIU) and a state agency to continue.

NFIB Position: Oppose Proposal 4 - Vote NO.

Known by its supporters as the “Citizens for Affordable Quality Home Care” proposal, Proposal 4 would allow a controversial program involving the Service Employees International Union (SEIU) and a state agency to continue by putting the arrangement into the constitution. The SEIU is the primary advocate for the proposal as the program in question has been ended by recent legislative action. Under the program the SEIU has been deducting more than \$30 million in union dues from Medicaid and Medicare payments to care providers, the majority of whom were unaware that they were forced to be members of the union. In the SEIU-state relationship, the primary determinant of whether an independent care giver could be organized by the labor union was the fact that they were receiving “public funds”. If this arrangement were allowed to continue with constitutional protection, it is conceivable that any small business or individual that received state funds for products or services rendered could be forced to join the union and have union dues deducted from their state payments. NFIB members have voiced opposition to this specific proposal in a special member survey. A NO vote supports the small business position on this proposal.

Proposal 5 - A proposal to amend the Constitution to 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, to impose new or additional taxes, expand the base of taxation or increase the rate of taxation.

NFIB Position: Support Proposal 5 - Vote YES.

Known by its supporters as the “Michigan Alliance for Prosperity” proposal, Proposal 5 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, to impose new or additional taxes, expand the base of taxation or increase the rate of taxation. While the current Legislature and Governor have shown restraint and responsibility in fiscal management, we are concerned that the urge to tax and spend could be irresistible to future legislatures and future governors. In addition, if the proposal to enshrine

collective bargaining in the Constitution passes (see Proposal 2), then the only way to finance out-of-control government union contracts will be to keep raising taxes on business and citizens. Proposal 5 is a way to preserve the recent gains that have been made in tax policy and an insurance policy against runaway government spending and spiraling taxes in the future. NFIB members have supported similar “supermajority” requirements before taxes can be raised in 1998 and 2006. A YES vote supports the small business position on this proposal.

Proposal 6 - A proposal to amend the Constitution to require the approval of a majority of voters at a statewide election and in each municipality where “new international bridges or tunnels for motor vehicles” are to be located.

NFIB Position: Proposal 6 – No Position.

Known by its supporters as the “The People Should Decide” proposal, Proposal 6 would require the approval of a majority of voters at a statewide election and in each municipality where “new international bridges or tunnels for motor vehicles” are to be located. This proposal has been pursued by the owners of the Ambassador Bridge and other groups because of concerns and opposition to recent efforts in constructing a new bridge to Canada. NFIB has no position on this proposal.