

SIMPSON, SNELL DISCUSS ECONOMIC DEVELOPMENT IN HOUSE 65TH RACE

JACKSON - Rep. Mike Simpson (D-Liberty Twp.) says his first two years in office have provided him the opportunity to work on big economic development projects for his district, including SmartZone legislation and a capital outlay project for Jackson Community College, but his Republican opponent Ray Snell argues Mr. Simpson just likes to “take credit for everything.”

Both are candidates for the House 65th District, which spans from Eaton County in the north through parts of Jackson and Lenawee counties to the south.

Mr. Simpson won the Republican-held seat in 2006 by 1,600 votes, but the GOP hopes Mr. Snell can return the district back to its column this election year.

In recent interviews with Gongwer News Service, both candidates discussed their strategy for bringing jobs back to the state.

Mr. Simpson said the SmartZone legislation and designation in Jackson County was a local and Michigan Economic Development Corporation collaboration. “Everybody had to walk in lock step to get it done.”

But the measure is one example of how he’s been a part of creating new jobs and maintaining work in the district, along with projects including the Michigan International Speedway, Von Weise Inc. and the Leoni Township sewer project. Mr. Simpson also said he continues to support diversifying the state’s economy, which included supporting the renewable energy legislation.

“I think I’ve honored my commitment on jobs,” Mr. Simpson said of his 2006 campaign platform. “I don’t take credit for everything, I just work my butt off.”

But Mr. Snell, Blackman Township supervisor, contends it was lawmakers responding to local efforts that pushed the SmartZone legislation through.

Mr. Snell said he’s been part of local efforts that saw people collaborating with each other for the betterment of the community, including a township sewer project where the township had the need, but not the capacity for its development. The township eventually partnered with the city of Jackson, which did have capacity, and the agreement has become a model for other communities, he said.

The lack of shared vision and goals is part of the problem in Lansing, Mr. Snell argued.

In order to bring business back to the state, lawmakers

have to expand tax incentives to a broad base of companies, like they did with the movie industry, he said. “I believe tax cuts have worked every time they’re tried.”

He said Michigan is not competitive when it comes to businesses because it taxes too many things and the Michigan Business Tax surcharge is just one example. With other states considering simpler tax plans, Michigan should follow by eliminating the surcharge, Mr. Snell argued.

If elected, Mr. Snell said he would propose giving businesses a refundable MBT tax credit for 10 percent of the wages paid to employees, as well as the costs associated with unemployment taxes and worker’s compensation. He said that would go a long way toward putting people “on the other part of the ledger” because they would be working and not on public assistance.

He said the current tax burden on Michigan residents is too much and that people are leaving the state because of it.

And in regard to property taxes, Mr. Snell said the tax paid by senior citizens should be capped but that local governments shouldn’t collect more taxes when home values are falling. Mr. Simpson recently supported HJR III, which freezes property tax assessments when a home value decreases starting in 2011.

Mr. Simpson said he supports simplifying the state’s tax codes, including repealing the MBT surcharge, which he voted for after the service tax was repealed. He said his support for the service tax came with pressure on leadership to accept budget cuts. He, along with several other members, withheld their votes on the tax increase for days until a compromise with leadership and the governor was reached on the budget.

To pay for the surcharge repeal, Mr. Simpson said he is working on restructuring the prescription drug contracts the state has through the Department of Management and Budget. He said if the state moves to a more transparent contract it could receive a pass-through rebate at the end of the year from the prescription drug companies, saving potentially \$125 million-\$200 million.

On the income tax, Mr. Simpson said everyone should receive a \$15,000 baseline deduction and that the tax loopholes should be removed. He also would support

decoupling the tax from the federal tax code. He said his proposal would provide many taxpayers with a \$600 refund each year.

As either candidate will likely face a budget reduction next year, both were asked if there are areas of state spending that could be cut.

Mr. Snell said he supports many of the budget policies laid out by Detroit Renaissance and the Mackinac Center for Public Policy, including bringing corrections' costs in line with other states. Unlike some Republicans, Mr. Snell said he would support a broad discussion on changes to the state's sentencing guidelines that could include lessening the sentences on non-violent crimes and providing longer sentences for violent crimes.

He said state prisons are understaffed, but there are ways to save money in the areas of food, medicine and housing.

There should also be more oversight of department spending, Mr. Snell said, arguing lawmakers can't act unless they are fully informed by departments. He added the state should create a website listing expenditures made with public dollars, even if it will cost money to initially set up that system.

He said at the township level each department was on a different computer system and they spent \$50,000 to get everyone on one system. He said long-term that provides a cost savings.

Mr. Snell also argued that Detroit receives too large a share of the state's revenue sharing dollars and that as the city loses population and shows a lack of accountability with the money it receives its allocation should be reduced over time.

Along with the prescription drug measure, Mr. Simpson said he wants the Legislature to be more aggressive in making departments implement changes suggested in the auditor general reports.

He also said he would continue to push for a unicameral Legislature, adding that local boards aren't bicameral and residents see an advantage to that system.

Mr. Snell advocates for a part-time Legislature.

If he's re-elected, Mr. Simpson said he wants to focus more on health care issues after supporting legislation to change the state's product liability laws for drug manufacturers. He said the state has to stop waiting on the federal government to approve expanding health care to residents and instead get health care organizations to support a state program.

Mr. Simpson said he's asked to chair the Health Policy Committee next session and he also pointed to his work getting a federal waiver for a new health clinic as an appointee of the Michigan Center for Rural Health.

Mr. Snell said the county programs, which include shared costs with the health care recipient, have been successful and that they should be expanded to a broader scale. He said everyone involved in the health care industry should sit down at a table and discuss how to implement that plan, although he added he's not an advocate of socialized medicine.

As for his position on the drug immunity legislation Mr. Simpson sponsored, Mr. Snell said if a company falsified its reports to the U.S. Food and Drug Administration or the FDA was negligent in its approval of a drug then the state's shield law should be broken.

As for the candidates' opinions on the two ballot proposals, both candidates said they oppose medical marijuana and expanding embryonic stem cell research.

Both candidates were also asked about their views on the state's road funding situation, as a task force continues to meet to present options to state policymakers on the matter.

Mr. Simpson said it's no surprise road funding is down because the state told people to conserve and that's exactly what they are doing. He said what the state does now will have to be explored further. Mr. Snell said some of the transportation spending priorities made in recent years have been wrong, but whatever happens next the state can't increase taxes to pay for the roads. And he said the state should halt its practice of putting the sales tax on gasoline after it has already assessed the 19-cent fuel tax.

In terms of the environment, Mr. Simpson said lawmakers should sit back and see how the recently enacted water compact works itself out. He said unless another pressing issue comes up on that issue, he didn't see anything more the Legislature should act on in the coming year. Mr. Snell said he would advocate for the Department of Environmental Quality fixing the way it promulgates rules so that they don't go above the standards laid out by the Environmental Protection Agency.

Mr. Snell said he would increase spending in that department along with the Department of Natural Resources, so the state can be more competitive when it comes to completing permits in a timely manner.

On education, Mr. Simpson said the high school graduation requirements should have been ramped up starting with students entering kindergarten. He said a two-tiered diploma system would provide a transition for students. Mr. Snell also supports a gradual system, particularly given the difficulty some students are having with the math requirements. He said the current mandate has frozen out vocational education.