

Social services in Monroe County, Michigan threatened by massive DTE Energy tax cut

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On May 29, DTE Energy filed a property tax appeal with the Michigan Tax Tribunal that, if upheld, will reduce its property tax by over 60 percent to Monroe County, a largely rural county in Southeast Michigan with a population of a little over 150,000. The tax reduction for DTE's coal power plant, which is also being appealed, has yet to be determined.

Having already suffered through 30 years of deindustrialization, such a massive tax for a corporation that accounts for 48 percent of Monroe County's property tax revenue would most certainly be devastating to the area. Human needs and development will suffer the consequences.

The financial implications for this tax cut are devastating. The supervisor of Frenchtown Township (where the Fermi 2 nuclear plant and the Monroe coal plant are located) estimates that the yearly tax losses could reach \$1.5 million for the township; the fire department millage alone will likely suffer a loss of \$500,000.

The county's educational system will be especially hard hit. ISD (Intermediate School District) provides important services to all of Monroe County's nine public schools. Dr. Stephen McNew, ISD superintendent told the *Monroe Daily News* "[w]e work daily with the most fragile students who have special needs," and slashing the special education millage by more than \$2 million dollars per annum and \$500,000 yearly from the technology enhancement millage "will be felt in every public school classroom in Monroe County."

In an interview with this reporter, Dr. Kojo Quartey, president of Monroe County Community College, said the college would lose \$1.2 million a year. He added that positions have already been marked for elimination.

DTE's argument for seeking a reduction in taxes is that coal and nuclear power will likely be obsolete in several decades, so the company needs to focus its resources on natural gas. As a result, DTE claims, their nuclear power and coal power plants will suffer severe devaluation, approximately half of their current value; therefore, the taxes they pay should be decreased commensurately.

The logic behind DTE's argument is transparently fallacious. The *Monroe News* editorial states the case bluntly: "That would be like someone building a house and claiming it should be taxed minimally because in 25 years it won't be worth as much."

DTE's announcement of its filing for tax reductions came shortly after CEO Gerald Anderson reported "record earnings of more than \$1 billion." In a statement dripping with hypocrisy a DTE spokesman claimed they want to come to a "reasonable" settlement with local officials. We are "strong supporters" of the communities where "we live and serve."

Local school officials and political leaders have indicated they will challenge the tax cut for DTE. Dr. Quartey called on all public school officials, including the community college leaders, to act together. There is talk of requesting that funds be taken from property taxes to help pay for legal fees to battle DTE, which would require the passage of a millage proposal, a regressive tax that would fall most heavily on workers and small homeowners.

However, a major obstacle to securing the support of Monroe County Community College is the fact that the chairperson of MCCC Board of Trustees is a DTE executive.

The move by DTE to slash its tax payments to the county follows decades that have seen the decimation of relatively good paying industrial employment in the

area. On top of this, there are rumors DTE will shut down both its power generation facilities in the county over the next 10-15 years.

DTE is notorious for its callous treatment of customers who fall behind in utility payments. Earlier this year state regulators ordered DTE to explain why it had disconnected thousands of Michigan residents without proper notification. Utility shutoffs have been tied to house fires and a number of tragic deaths in Detroit and other cities.



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