

August 2017

WHAT'S UP FOR FALL SESSION?

When lawmakers return for the fall session, many of the issues will be the same that were before them when they left for the summer break. The Senate is scheduled to return on Tuesday, September 5th and the House on Wednesday, September 6th.

Senate Majority Leader Arlan Meekhof (R-West Olive) wants municipal pension reform, corrections reform and career technical training on the agenda.

House Speaker Tom Leonard (R-DeWitt) is eyeing a more streamlined mental health system and would welcome a vote on prevailing wage repeal if the petition signatures come in. Reforming the state's auto no fault system is also a priority.

CANVASSERS APPROVE FORM FOR REVAMP REDISTRICTING PETITION

It seemed like a long time from late June to mid-August, but the Board of State Canvassers last week finally gave approval as to form a constitutional amendment for redistricting reform.

The proposal is being pushed by Voters Not Politicians (VNP). It calls for a 13-member independent commission to redraw legislative and congressional lines. The proposal also contains the process for selecting members of the commission and who is and is not eligible.

Saying this proposal would alter 11 provisions of the Michigan Constitution, Elections Director Sally Williams called the constitutional amendment the most complex the Bureau has tackled in recent memory.

VNP now faces the task of garnering 315,654 petition signatures in six months.

The canvassers also approved to form a pro-sick time ballot initiative by the MI Time to Care Committee that would ensure that workers earn one hour of paid leave for every 30 hours worked – an initiative that mirrors one that failed to qualify for the 2016 ballot.

Also approved by the State Board of Canvassers was Abrogate Prohibition Michigan's petition that would amend the constitution to legalize marijuana for recreational use without taxing the drug.

SALES TAX PHASE OUT ON USED CAR TRADE-INS VETOED, SENATE GOP MULLS OVERRIDE EFFORT

Legislation that would phase out the sales tax on used car trade-ins was vetoed by Governor Rick Snyder but there is talk of a possible override attempt on that or the Choose Life license plate that he also vetoed.

Senate Majority Leader Arlan Meekhof expects to discuss a veto override with his caucus. But a Meekhof spokesperson said Senator Meekhof is not looking for a veto override because he does not want that option to become some new path of action. Any veto override would present numerous challenges to the Republican Governor's relationship with Republican-controlled Legislature.

The Michigan Auto Dealers are staying out of the override issue, but the Michigan Association of Recreation Vehicles group is keeping a very close watch as a successful override would mean vehicle owners would not be charged sales tax on their RV's value during a trade in for a new vehicle.

COUNCIL ON OPIOID, PRESCRIPTION DRUG ENFORCEMENT IS CREATED

An executive directive has been signed by Governor Rick Snyder to establish a Council on Opioid and Prescription Drug Enforcement (COPE) and will be headed by Lieutenant Governor Brian Calley.

The council is to meet monthly to coordinate the state's efforts to combat the ongoing opioid epidemic, working with local, state and federal agencies to enforce laws and regulations regarding opioid addiction.

SNYDER SIGNS "GOOD JOBS" PACKAGE

Governor Rick Snyder has signed into law the "Good Jobs" package of legislation (SBs 242 through 244).

The bills would allow a company seeking to relocate in Michigan to collect 100 percent of the state income tax withholdings for new employees for 10 years if the company creates at least 3,000 jobs at the average salary level for the local prosperity region.

A company could collect half the taxes if it creates 500 jobs at the average income level. And for companies creating 250 new jobs at 125 percent of the region's average salary level, the tax break would be 100 percent of income tax withholdings.

ANOTHER DROP IN THE STATE'S UNEMPLOYMENT RATE

Michigan's workforce dropped again last month, lowering the state's seasonally adjusted unemployment rate to 3.7 percent. That is the lowest in 17 years and a 1.2 percentage point drop since July 2016 and is .6 percentage points below the U.S. average of 4.3 percent.

However, total employment declined in July by 18,000 while the number of unemployed in the state was down 7,000 over the month, creating the third straight month of workforce reduction.

STATE LOSES PRIVATE SCHOOL DOLLARS FUNDING APPEAL

A Court of Claims panel's refusal to hear the state's objection to a Court of Claims injunction barring the state from using a \$2.5 million appropriation for private schools will stand...at least for now.

Both sides in the case in the Court of Claims have pending motions for summary disposition. Absent a further appeal to the Supreme Court, those motions may be ruled on by Judge Cynthia Stephens, perhaps bringing an early resolution to the challenge.

MPSC LOOKING AT REGULATING BY PERFORMANCE

Tying an electric utility's rate of return (i.e., how they make their money) to its performance on certain metrics like reliability and emissions is being looked at by a state-convened group.

Currently, the utilities make the case for rate increases based on how much it costs them to generate and distribute electricity. The Michigan Public Service Commission (MPSC) ultimately decides if they have made a prudent case and determines how much the utilities are allowed to recover on those costs and how much the utility may reasonably earn via the rate of return on their investments.

The MPSC is charged to produce a study on the issue and deliver it to the Legislature and Governor by next April.