

CAPITOL NEWS UPDATE

WEEK OF December 12, 2016

Integrity, Individual Attention. Precision Strategy. Proven Results



LATE NIGHT COMPROMISE LEADS TO STATE ENERGY OVERHAUL

As a nearly 20-hour House session came to an end early Thursday morning, members of the House found bipartisan support for a plan to reconfigure the state's energy laws, including increasing the required use of renewable power sources, and maintaining the state's limited electric choice program.

On Thursday afternoon, the House passed SB 0437 with a 79-28 vote, and SB 0438 76-31, sending the bills on to the Senate which concurred on both bills 33-4, and then to be signed by Gov. Rick Snyder.

Utilities and electric choice advocates are in support of the legislation which addresses a complex and contested issue that had been pending in the Legislature for over a year.

"Michigan families and businesses can now be assured that our state has a comprehensive plan for ensuring electric reliability and affordable and sustainable energy going forward," said Consumers spokesperson Dan Bishop.

The compromise came after Gov. Rick Snyder met with House and Senate leaders, business representatives, and utility companies in the early hours Thursday morning. They were working to pass the complex issue before a new set of incoming legislators would need to be brought up-to-date on the issue before they could vote.

New language on electric choice, and compromises on energy efficiency and solar net metering provided the necessary language to bring other opponents of the bills on board.

The electric choice issue relates to the 10 percent of Michigan's electric market that is allowed to use alternative energy suppliers instead of their incumbent utilities. With the new legislation, if the percentage of these customers falls below the 10 percent, it would have to stay there for six years if no additional customers were waiting to sign up for a choice provider. The new package also requires customers who leave their choice provider to commit to DTE, Consumers or the other incumbent utility for six years. The Alternative Energy Suppliers (AES) are also happy with the plan that provides more certainty than past versions.

The new deal also gives customers a chance at seeing rate relief in times of lower-than-expected energy needs, and raises the amount of energy Michigan would need to generate from renewable sources from 10 to 15 percent by 2022.

The bills also replaced language charging net metering uses grid fees with a study to see if it would be appropriate to levy a tariff, such as for use of the wires. Those currently using net metering would be grandfathered into the current program.

INSURANCE COMPANIES AND HOSPITALS, SAME SIDE ON AUTO INSURANCE

Two groups that have battled for almost a decade over potential changes to Michigan unique No-Fault Auto insurance system, insurance companies and Michigan hospitals shocked the Capitol by announcing that they had reached an agreement on a 3 part auto no-fault reform plan.

The agreement would have created an Automobile Insurance Fraud Authority, limited the number of hours family members could charge an insurer for caring for their relative, and set a cap of \$400,000 on the benefits for those who never bought insurance.

Despite the surprising agreement between the groups, the House of Representative failed to garner enough votes to pass the compromise. We'll see what 2017 brings with the new alliance.

DRIVERS SOON ABLE TO TRAVEL FASTER ON RURAL HIGHWAYS

A package of bills allowing increased speeds on rural limited-access freeways and other roadways was finalized by the House on Tuesday. The bills are now on their way to the governor's desk after the House approved the Senate's changes to HB 4423 and HB 4427.

The bills affect at least 1,500 miles of Michigan freeways and highways in the next year.

Under the package, the Michigan Department of Transportation and the Michigan State Police are required to raise speed limits to 75 miles per hour on 600 miles of rural limited-access freeways. In addition, speed limits on rural highways could be increased from 60 to 65 miles per hour and state trunk line highways from 55 to 60 miles per hour if MDOT and the MSP determine that 85 percent of the traffic on the roads are going those speeds anyway, along with support from engineering and safety studies. The 85 percent rule encourages "rational speed limits," and more drivers to travel about the same speed, which can potentially reduce crashes.

BILLS SAVE CITIES FROM FOOTING-THE-BILL ON HIGHWAYS

A bill replacing one vetoed by Gov. Rick Snyder in July is back on its way to the governor's desk this week after the Senate passed legislation relieving communities from having to pay for major road projects on state-owned highways.

Under the new bill, which was a compromise with Snyder and passed the House 106-7, cities will not be required to pay for a portion of the costs associated with road repairs on expressways running through their boundaries.

Currently, 45 cities in the state with 25,000 or more residents are required by law to pay a substantial portion of the Michigan Department of Transportation's project costs on any road projects within the cities' boundaries. The legislation will also allow for faster repairs on local roads.

BILLBOARDS COULD SOON BE SEEN ON PUBLIC SCHOOL PROPERTY

Public schools looking for ways to increase revenue could raise funds by placing bill boards on their free-way adjacent property if a bill passed Thursday is signed by Gov. Snyder. Senate Bill 953, which allows billboards on public school property along state-managed roadways, passed the Senate on Oct. 20, and a House version and Senate concurrence passed Thursday night during lame duck.

LEGISLATORS ADDRESS AND EASE ZERO TOLERANCE LAWS IN SCHOOLS

In an effort to soften "zero-tolerance" laws on school violence that were originally put into place after Columbine, the legislature passed a package of school discipline bills that limit the use of restraint and seclusion in schools and also require school officials to consider certain factors before expelling or suspending a student.

School officials will now be required to consider whether a lesser intervention or restorative practices would address the student's behavior. The bills are aimed at instances such as students bringing butter knives in their school lunches. Proponents say they will bring common sense to the zero-tolerance policies.

Under the new legislation, school districts that suspend students for longer than 11 days would have to prove the child was a danger to others.

LEGISLATURE PASSES FLINT EARLY WARNING WATER BILL

The Senate unanimously gave final passage to a bill that requires the Michigan Department of Environmental Quality to notify a community within three business days if there are problems in the town's drinking water. Currently, the state and health officials had 30 days to notify a community.

MM&A BRIEFS

Budget Director leaving in February

State Budget Director John Roberts is leaving the Snyder administration after the Fiscal Year 2018 budget presentation in February, according to the governor's office. According to reports, Roberts is heading to a yet-to-be named job in the private sector after serving for three years in his current position. Roberts began his role as Budget Director March 1, 2014 replacing John Nixon.

Deputy Budget Director Nancy Duncan is also leaving and will be replaced by former House Fiscal Agency Director Kyle Jen.

Engler to retire from Business Roundtable

Former Michigan Gov. John Engler plans to retire as president of the Business Roundtable next year. The Washington-based Roundtable is a group of nearly 200 executives of major U.S. corporations. Engler has been at the Roundtable since 2011 after spending six years as president and CEO of the National Association of Manufacturers.

Hunters and anglers can show licenses on cell phone

The Senate finalized a package of bills that will allow residents to show their hunting and fishing licenses on their cell phones this week. The package, which included SB 1073, 1074 and 1075, is now awaiting the governor's signature.