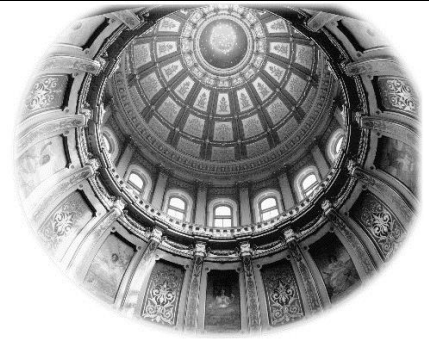


CAPITOL NEWS UPDATE

WEEK OF November 30, 2015

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McALVEY MERCHANT & ASSOCIATES CAPITOL NEWS UPDATE NEWSLETTER COPY FOR The Week of November 30, 2015

DATA CENTER BILLS CLEAR THE SENATE

The Senate on Thursday passed legislation (SBs 0616 and 0617) designed to kick off an estimated \$5 billion data center development in Kent County by providing tax breaks for data centers.

The measures provide for a 6 percent tax exemption that applies to data center equipment and buildings that maintain or manage data and similar functions. Software and third-party power generating equipment are not included. Included in the final passage is a 15-year sunset.

Earlier in the day, substitutes for the bills lowered the sales and use tax incentives for the data centers from the full exemption of 6 percent to 4 percent, but a floor amendment restored the 6 percent exemption.

The bills each passed on a 25-15 vote with a majority of the Democrats voting “no.” Driving the legislation is a proposed data center project in Kent County that, if completed, would eventually lead to the largest data center campus in the Eastern U.S. being located at the former Steelcase pyramid building in Gaines Township.

Senate Majority Leader Arlan Meekhof (R-West Olive) called the Senate action a good starting point to determine whether it would be a good opportunity for Michigan to compete with other states adding that the bills could change.

HOUSE PANEL TO PONDER STRAIGHT-TICKET VOTING/ELECTION REFORM

The House Elections Committee met Thursday and debated the Senate-passed legislation (SB 0013) that would do away with the automatic straight-ticket voting option on ballots. Rather than take a vote, committee members opted to study the bill over the weekend and consider what was heard during testimony at the meeting.

Eleven people testified against the bill, two testified in favor.

Committee Chair Lisa Posthumus Lyons (R-Alto) would prefer to join this bill with her bill (HB 4724), which would allow for a form of no-reason absentee voting in Michigan. That bill moved out of committee this week.

MANY ISSUES, LITTLE TIME

When lawmakers returned Monday from their Thanksgiving Break, only nine session days remained before their scheduled adjournment for this year. However, many unresolved issues were still pending, some of which have already been punted into next year and others are doubtful.

Energy Reform – This will not see action in the Senate until after the end of the year, according to Senate Majority Leader Arlan Meekhof (R-West Olive) and Sen. Mike Nofs (R-Battle Creek), chair of the Senate Energy and Technology Committee. Nofs says his bills are not ready, “they aren’t right yet.”

On the House side, Speaker Kevin Cotter (R-Mt. Pleasant) said he expects to get an energy package through the House sometime this month with a goal to have it signed into law in January.

Presumptive Parole – Sen. Rick Jones (R-Grand Ledge), who chairs the Senate Judiciary Committee, said this week that he doesn’t see a clear path for the controversial House-passed reform (HB 4138) out of the Senate as written, adding, “I believe presumptive parole is dead.” However, Senate Majority Leader Arlan Meekhof and Senate Majority Floor Leader Mike Kowall (R-White Lake) wouldn’t agree with Jones, saying any corrections package would – at best – only include pieces of the House plan.

Detroit Public Schools Reform – Efforts are underway to get Detroit-area Senators on board before any significant movement is made in the Senate, according to Senate Majority Leader Alan Meekhof. The fact that bills won’t be introduced until next Tuesday, at the earliest, means quick passage in very unlikely because of major concerns among many Republicans.

Concealed Weapons In School – Don’t look for anything to come of this issue as Gov. Rick Snyder has said he will veto any legislation that would legalize someone carrying a concealed weapon in schools, so at this point lawmakers don’t appear to be in any hurry to pick another fight on this one.

Medical Marijuana – Not likely this will see final action. Senate Majority Leader Arlan Meekhof says there is still a fair amount of education that needs to take place on the issue, even though Sen. Rick Jones (R-Grand Ledge) said the House-passed medical marijuana regulation is needed to eliminate what he called the current “wild west” scenario that is playing out.

Third Grade Reading – The measure has passed the House and could see action in the Senate before adjournment. The legislation has Gov. Rick Snyder’s blessing.

Abortion Ban After 2nd Trimester – Not likely. The bills could move in the House but the Senate isn’t likely to get around to it.

POLITICS AND POLLS

Conyers says he’ll go again. U.S. Rep. John Conyers (D-Detroit) has announced he will run for a 27th term in his 13th Congressional District. The 86-year old Conyers is the dean of the U.S. Congress. Detroit City Clerk Janice Winfrey has announced she is also running which will set up a Democratic primary.

Recall language filed against Schmidt. Sen. Wayne Schmidt (R- Traverse City) finds himself at the center of a recall petition for his vote in favor of a road funding package that will raise the gas tax and driver registration fees. The petition language was filed by an Antrim County resident alleging that Schmidt went against the will of Proposal 1 voters in May by casting a vote favoring the additional tax and fee increases.

M M & A BRIEFS

Senate passes aviation fuel tax bills. A six-bill package of legislation (SBs 0418, 0425, 0426, 0612, 0613 and 0614) gained unanimous support in the Senate Thursday. The measures would reroute that 2 percent collected from the sales and use tax on aviation fuel from the General Fund into the State Aeronautics Fund and the newly created “Qualified Airport Fund.” Thirty-five percent of the money would be split among the state’s airports and the remaining 65 percent would go to Detroit Metropolitan Airport.

Federal judge rules for transgenders. U.S. District Judge Nancy Edmonds of Detroit has ruled transgender Michigan residents can pursue a constitutional lawsuit challenging the Secretary of State requirements to change the gender on their drivers’ licenses and state ID cards. While the decision rejects a bid by Secretary of State Ruth Johnson to get the case thrown out without trial, it does not determine whether the challengers will ultimately win in court.

CALENDAR OF IMPORTANT EVENTS

- Dec. 8 Rep. Jon Hoadley (D-Kalamazoo) Breakfast Reception
Location: 8 a.m., Governors Room, Lansing
- Dec. 8 Rep. Kristy Pagan (D-Canton) Breakfast Reception
Location: 8:30 a.m., Michigan Health and Hospital Assn., Lansing
- Dec. 9 Sen. Marty Knollenberg (R-Troy) Breakfast Reception
Location: 7:30 a.m., Governors Room, Lansing
- Dec. 9 Rep. Winnie Brinks (D-Grand Rapids) Brunch Reception
Location: 10:30 a.m., Michigan Municipal League, Lansing
- Dec. 10 Rep. Tim Greimel (D-Auburn Hills) Breakfast Reception
Location: 8:30 a.m., Michigan Health and Hospital Assn., Lansing
- Dec. 17 Last scheduled day of House/Senate sessions in 2015
- Dec. 25 CHRISTMAS
- Jan. 1 NEW YEAR'S DAY