

CAPITOL NEWS UPDATE

WEEK OF JUNE 3, 2019

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WHITMER SIGNS NO FAULT CHANGES ON MACKINAC

After bipartisan negotiations and several late-night sessions, Governor Gretchen Whitmer signed into law substantial changes to the state's no fault auto insurance system last Thursday while at the Detroit Regional Chamber Mackinac Policy Conference.

Whitmer signed SB 1 on the porch of the Grand Hotel, saying that the legislation, although not perfect, is a good first step. She also called the negotiations a model for further policy discussions.

On Tuesday of this week, Lawmakers passed additional changes to the no fault legislation in what they called a "technical fix," to avoid a temporary jump in rates. The change was due to language in SB 1, which mistakenly gave immediate effect to the required increased coverage for bodily injury coverage. The new bill corrected this by coordinating these changes with the same effective date for rate reduction and personal injury protection choices, both which take effect July 2020.

HOUSE ELIMINATES SALES TAX ON GAS – PLANS TO REPLACE WITH GAS TAX

A House subcommittee moved a budget forward on Thursday that includes \$542.5 million in revenue from a yet-to-be determined dedicated gas tax. The tax would replace the current 6% sales tax drivers currently pay at the pump.

According to House Speaker Lee Chatfield (R-Levering), the House wants to ensure all money paid at the gas pump is returned to make Michigan's roads better.

Current sales tax dollars from fuel, however, go to schools and municipalities—both which oppose the proposed fuel tax tactic.

The subcommittee reported the budget bill, HB 4246, by a 5-2 vote, with all Republicans voting yes, and the two Democrats voting no. The Democrats cited concerns about funding loss to schools and municipalities.

NAME CHANGE AND NEW DIRECTOR FOR STATE'S ECONOMIC AGENCIES

Gov. Whitmer ordered a significant reorganization to the former Department of Talent and Economic Development on Thursday, renaming it the Department of Labor and Economic Opportunity. She also changed boards and worker protection functions and named Jeff Donofrio as the new director of the department. Donofrio has worked as the city of Detroit's workforce

development chief under Mayor Mike Duggan since 2015 and replaces the acting Talent and Economic Development Director Stephanie Beckhorn.

The changes, according to Whitmer, consolidate pieces of economic development workforce development, employment relations and worker protections in one department. The changes also give the Department of Licensing and Regulatory Affairs a smaller focus on licensing and rules, with the Marijuana Regulatory Agency, Liquor Control Commission, Public Service Commission and Indigent Defense Commission remaining under its roof.

The order also abolishes the Michigan Compensation Appellate Commission, which was created by former Governor Rick Snyder in 2011.

ENBRIDGE FILING COURT ACTION AGAINST THE STATE ON LINE 5 TUNNEL

Enbridge Energy officials announced Thursday that they were challenging the state by filing a court action charging that the state of Michigan “now refuses to honor the promises made in the December 2018 agreements” which would let the company to build a tunnel to contain a new Line 5 pipeline under the Straights of Mackinac.

The challenge was made after Gov. Whitmer accused the company of walking away from negotiations on the issue.

Enbridge filed the complaint with the Michigan Court of Claims, *Enbridge Energy v. Michigan*, and challenges the opinion issued in March by Attorney General Dana Nessel which said the 2018 law allowing a tunnel authority and construction of a tunnel under the Straights of Mackinac violated the Constitution's title-object clause.

The company said it is "seeking a declaration that complies with Michigan Constitution, that the Mackinac Straits Corridor Authority was lawfully established and that the December 2018 agreements are in effect and enforceable."

MM&A Briefs

John James Announces Run for U.S. Senate in 2020

Republican Michigan businessman and Iraq war veteran John James has announced he is running against incumbent U.S. Sen. Gary Peters (D-Bloomfield Twp.) in 2020.

James, who ran against Democrat Sen. Debbie Stabenow and lost in 2018, was propelled into the national forefront by a strong endorsement by President Donald Trump and a solid showing in the 2018 general election.

Other rumored candidates include Sandy Pensler and former Michigan Attorney General and gubernatorial candidate Bill Schuette.

Gov. Whitmer Creates U.P. Energy Task Force

Gov. Gretchen Whitmer created a U.P. Energy Task Force by executive order today. The Task Force will assess the U.P.'s overall energy needs, identify potential changes in energy supply and distribution, and find alternative solutions to meeting these needs, including alternatives to Line 5.

Michigan's U.P. residents currently have some of the highest electricity rates in the nation. The task force will complete a final report to the governor in two stages, including a propane plan in 2020 and the remainder of the report in 2021.

Calendar of Important Events

June 8 Rep. Mari Manoogian (D-Birmingham) Fundraiser

Location: 1 p.m., Royal Oak Golf Center, Royal Oak

June 9 House Minority Leader Christine Greig (D-Farmington Hills) Fundraiser

Location: 1 p.m., Heritage Park, North Shelter, Farmington Hills

June 10 Rep. Bronna Kahle (R-Madison) Fundraiser

Location: 12 p.m., The Hills of Lenawee Golf Club, Adrian

House Minority Leader Christine Greig (D-Farmington Hills) PAC Fundraiser

Location: 4 p.m., Michigan Beer and Wine Wholesalers, Lansing

Rep. Julie Alexander (R-Hanover) Fundraiser

Location: 4:30 p.m., Common Wealth Center, Jackson

June 11 Rep. Daire Rendon (R-Lake City) Fundraiser

Location: 7:30 a.m., Michigan Credit Union League, Lansing

Rep. Lori Stone (D-Warren) Fundraiser

Location: 11 a.m., Michigan Municipal League, Lansing

Rep. Kara Hope (D-Holt) Fundraiser

Location: 11:30 a.m., Kelley Cawthorne, Lansing

Rep. Pamela Hornberger (R-Chesterfield) Fundraiser

Location: 11:30 a.m., Karoub Associates, Lansing

Rep. Joe Bellino (R-Monroe) Fundraiser

Location: 5 p.m., Michigan Beer and Wine Wholesalers, Lansing

June 12 Rep. Andrea Schroeder (R-Independence Twp.) Fundraiser

Location: 7:30 a.m., Michigan Beer and Wine Wholesalers, Lansing

Rep. Beau LaFave (R-Iron Mountain) Fundraiser

Location: 7:30 a.m., Michigan Credit Union League, Lansing

Rep. Eric Leutheuser (R-Hillsdale) Fundraiser

Location: 7:30 a.m., Karoub Associates, Lansing

Rep. Ronnie Peterson (D-Ypsilanti) Fundraiser

Location: 11:30 a.m., Michigan Beer and Wine Wholesalers, Lansing

- June 13** **Rep. Shane Hernandez (R-Port Huron) Fundraiser**
Location: 8 a.m., Michigan Municipal League, Lansing
- Sen. Aric Nesbitt (R) Fundraiser**
Location: 8 a.m., Michigan Beer and Wine Wholesalers Association, Lansing
- June 14** **Sen. Peter MacGregor (R) Fundraiser**
Location: 9 a.m., Scott Lake Golf & Practice Center, Comstock Park
- Rep. Jason Sheppard (R-Temperance) PAC Fundraiser**
Location: 11:30 a.m., Toledo Beach Marina, LaSalle
- June 17** **Rep. Phil Green (R-Millington) Fundraiser**
Location: 6 p.m., Garfield Inn, Port Austin, 6 p.m.
- June 18** **Rep. Matt Maddock (R-Milford) Fundraiser**
Location: 8 a.m., Michigan Municipal League, Lansing
- Sen. Aric Nesbitt (R-Lawton) Fundraiser**
Michigan Beer and Wine Wholesalers, Lansing, 8 a.m.
- Rep. Angela Witwer (D-Delta Twp.) Fundraiser**
Location: 11:30 a.m., Michigan Health and Hospital Association, Lansing
- Sen. Sean McCann (D-Kalamazoo) Fundraiser**
Location: 11:30 a.m., Governor's Room, Karoub Associates, Lansing
- June 19** **Rep. Darrin Camilleri (D-Brownston Twp.) Fundraiser**
Location: 8:30 a.m., Michigan Beer and Wine Wholesalers, Lansing
- Sen. Dayna Polehanki (D-Livonia) Fundraiser**
Location: 11:30 a.m., Michigan Beer and Wine Wholesalers Association,
Lansing
- Rep. Alex Garza (D-Taylor) PAC Fundraiser**
Location: 4:30 p.m., Michigan Beer and Wine Wholesalers, Lansing
- Rep. Julie Brixie (D-Okemos) Fundraiser**
Location: 5:30 p.m., Red Cedar Spirits, 2000 Merritt Road, East Lansing
- June 20** **Rep. Sheldon Neeley (D-Flint) Fundraiser**
Location: 10:30 a.m., Michigan Beer and Wine Wholesalers, Lansing
- House Democratic Fundraiser**
Location: 5:30 p.m., El Azteco, East Lansing