

CAPITOL NEWS UPDATE

WEEK OF MARCH 2, 2020

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HOUSE PUTS THE BRAKES ON REGIONAL TRANSIT BILL

In an unexpected move, Speaker of the House Lee Chatfield said the House would set aside discussion and voting on regional transit, and “tackle other priorities.” The change came just one week after Chatfield called HB 5550, which was introduced by Rep. Diana Farrington (R-Utica), “common ground” in the ongoing dialog over regional transit.

The most recent bill restricted the RTA and gave counties the option of opting out of any proposed regional transit plan via a board of commissioners-approved resolution. The bill was scheduled to be voted on by the House on Tuesday. The bills, HB 550 and 5229, were re-referred to the House Government Operations Committee.

With discussions over the bill halted, it is unclear if a new proposal will be placed on ballots in 2020.

The bill, which was supported by Chatfield, was criticized in committee by most of the supervisors of Oakland County townships who said the legislation would raise taxes without providing any benefits to their residents.

Oakland County’s executive and its Democratic majority on its board of commissioners supported the new legislation and plan to continue the conversation for a regional transit plan in the area.

Chatfield explained the House’s actions: “Several representatives and community leaders wanted to find a way to opt their communities out of a transit plan and reform the current system. That is why we looked at a few different options. But unfortunately, every plan on the table had the potential unintended consequences of making property tax increases more likely in other areas of the state. The simple truth is the proposals in front of us do not work for everyone. Because of that, we are going to set this issue aside and tackle other priorities.”

HB 5550 was considered a compromise because it would have created, under the existing Regional Transit Authority law, a way to allow Oakland, Washtenaw and Wayne counties to set up a new regional transit system by enabling up to two counties to opt-out.

MICHIGAN HOUSE PROPOSES PER-GALLON TAX TO FUND ROADS

House Republicans introduced a new plan this week to generate \$800 million needed to fix local roads by replacing the six percent sales tax on fuel over three years with a per-gallon tax increase. The money from the per-gallon increase would go specifically toward local and county-maintained roads.

The legislation also includes a proposal to divert income tax revenue from the general fund to pay for the School Aid Fund, which currently receives much of the money from the six percent sales tax on fuel. The Department of Treasury would calculate the amount of revenue schools would have received each year and transfer the same amount from the General Fund to the School Aid Fund each year.

The bill in the package would reduce the sales tax on fuel to 4 percent in 2021, 2 percent in 2022 and completely phased out the sales tax in 2023. The bills then add a 2 percent excise tax to fuel in 2021, 4 percent in 2022 and 6 percent in 2023.

The additional funding generated from excise tax would be divided by 60 percent for county road commissions and 40 percent for cities and villages.

Both Republican and Democratic supporters of the bills say it is a starting point. Gov. Whitmer criticized the plan and said she will continue to move forward with her \$3.5 billion bonding proposal for major state trunklines.

Also on Wednesday, Senate Republicans voted on legislation that not only expressed their opposition to Gov. Whitmer's bonding proposal but would also enable the Legislature to veto State Transportation Commission efforts to sell more than \$100 million in bonds for roads.

SB 716 would require that the commission give the Legislature 30 days' notice of its intent to sell bonds in excess of \$100 million. The Legislature would then have 30 days to reject the borrowing plan through adoption of a concurrent resolution by both chambers. The bills would likely be vetoed by Gov. Whitmer.

FEDERAL JUDGE STRIKES DOWN MEDICAID WORK REQUIREMENTS

Citing a recent ruling that holds that the federal government unlawfully approved work requirements for Medicaid in other states, U.S. District Judge James Boasberg granted the state's motion that the work requirement be struck down in Michigan this week.

The requirement, that able-bodied adults not in school or a training program work 80 hours a month to be eligible for Healthy Michigan Medicaid program, will now not apply.

The Michigan Department of Health and Human Services had already notified more than 238,000 Michigan residents in the Healthy Michigan program (an expanded Medicaid program for those with incomes up to 133 percent of the poverty level) about complying with the work requirements that began January 1.

DHHS reports spending \$30 million to establish the new work requirement, and that about 80,000 people could have potentially lost their Medicaid coverage due to not reporting work activities.

Gov. Whitmer supported the court's decision, and said it was "not surprising given a previous federal court decision regarding Medicaid work requirements in Arkansas."

Although it is uncertain if the U.S. Department of Health and Human Services will appeal, Michigan's Republican legislators expect the case to go to the U.S. Supreme Court.

MM&A Briefs

Questions on the new Auto No-Fault Reforms? Get answers at the Insurance Alliance of Michigan's No-Fault FAQ Website

Consumers can now find answers to their most important questions about the new Michigan auto no-fault law by visiting the Insurance Alliance of Michigan's Auto Insurance No-Fault Reform online FAQ's here: <https://www.insurancealliancemicigan.org/no-fault>.

The link features easy to understand questions and answers about the new auto no-fault law which goes into effect July 2, 2020 including:

- What kind of savings can consumers expect from the new auto no-fault law?
- What will my medical coverage options be under the new auto no-fault law?
- What happens if my medical care costs are more than the coverage that I chose?
- What is the new bodily injury liability coverage? How will it impact my insurance premium?

The site also has links to information on the new auto no-fault law from the Department of Insurance and Financial Services and IAM members.

Lucido Removed as Committee Chair

Sen. Peter Lucido was removed from his post as chair of the Senate Advice and Consent Committee on Thursday following the release of the results of an investigation into allegations by three women that Lucido made inappropriate comments and touched them inappropriately. The investigation found that the Senator did conduct "inappropriate workplace behavior." Lucido will remain chair of the Judiciary and Public Safety Committee.

Whitmer Announces Changes to Team: Burton Moves to MEDC, Foster to Executive Office

Governor Gretchen Whitmer announced major staff changes this week, with chief strategist Mark Burton becoming the interim CEO of the Michigan Economic Development Corporation, and director of the Department of Technology and Budget Tricia Foster moving to a newly created position of Chief Operating Officer for the Executive Office.

Burton will be the interim director of the MEDC as the MEDC board conducts a search to replace its current CEO Jeff Mason who is retiring. Burton was Whitmer's chief of staff while she was in the Senate and is the former director of the Tri-County Alliance for Public Education.

Foster was formerly a senior managing director and COO of CBRE/Martin and CBRE/Grand Rapids. She will be managing cabinet affairs and administrative functions in the executive branch.

Calendar of Important Events

March 10 Rep. Matt Maddock (R-Milford) Fundraiser

Location: 8 a.m., Michigan Municipal League, Lansing

Rep. Rachel Hood (D-Grand Rapids) Fundraiser

Location: 11:30 a.m., Michigan Municipal League, Lansing

March 10 Rep. Matt Hall (R-Emmett Twp.) Fundraiser

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

- March 10** **Rep. Sarah Anthony (D-Lansing) Fundraiser**
Location: 5 p.m., 2210 Moores River Drive, Lansing
- March 11** **Rep. Isaac Robinson (D-Detroit) Fundraiser**
Location: 11 a.m., Michigan Health and Hospital Association, Lansing
- Rep. Tim Sneller (D-Burton) Fundraiser**
Location: 11:30 a.m., Karoub Associates, Lansing
- Rep. Brad Paquette (R-Niles) Fundraiser**
Location: 5:30 p.m., Karoub Associates, Lansing
- March 12** **Rep. Jason Wentworth (R-Clare) Fundraiser**
Location: 8 a.m., Michigan Beer and Wine Wholesalers, Lansing
- Rep. Phil Green (R-Millington) Fundraiser**
Location: 8 a.m., Michigan Municipal League, Lansing
- Rep. Abdullah Hammoud (D-Dearborn) Fundraiser**
Location: 9 a.m., Karoub Associates, Lansing
- Rep. Padma Kuppa (D-Troy) Fundraiser**
Location: 10:30 a.m., Michigan Municipal League, Lansing
- Rep. Robert Wittenberg (D-Huntington Woods) Fundraiser**
Location: 10:30 a.m., Michigan Health and Hospital Association, 110 West Michigan Avenue, Suite 1200, Lansing
- Sen. Sean McCann (D-Kalamazoo) Fundraiser**
Location: 11:30 a.m., Karoub Associates, Lansing
- March 13** **Sen. Winnie Brinks (D-Grand Rapids) Fundraiser**
Location: 5:30 p.m., Quinn & Tuites Irish Public House, 1535 Plainfield Ave. NE, Grand Rapids
- Rep. Christine Greig (D-Farmington Hills) Fundraiser**
Location: 7 p.m., 21031 Eastfarm Lane Court, Northville
- March 15** **Rep. Kyra Bolden (D-Southfield) Fundraiser**
Location: 2 p.m., 17100 West 12 Mile Road, Southfield
- March 16** **Rep. Brian Elder (D-Bay City) Fundraiser**
Location: 5 p.m., Old City Hall, 814 Saginaw St., Bay City
(Special guest Governor Gretchen Whitmer)
- March 17** **Rep. Julie Alexander (R-Hanover) Fundraiser**
Location: 7:30 a.m., Karoub Associates, Lansing

- March 17** **Rep. Ben Frederick (R-Owosso) PAC Fundraiser**
Location: 12 p.m., Michigan Municipal League, 208 North Capitol Ave., Lansing
- Rep. Pauline Wendzel (R-Watervliet) Fundraiser**
Location: 4:30 p.m., Karoub Associates, Lansing
- House Democratic Fund Fundraiser**
Location: 5 p.m., Michigan Beer and Wine Wholesalers Association, Lansing
- Sen. Sean McCann (D-Kalamazoo) Fundraiser**
Location: 5:30 p.m., Henderson Castle, 100 Monroe St., Kalamazoo
- March 18** **Rep. Graham Filler (R-DeWitt) Fundraiser**
Location: 7:30 a.m., Michigan Municipal League, Lansing
- Sen. Jim Runestad (R-White Lake) Fundraiser**
Location: 7:30 a.m., Karoub Associates, 121 West Allegan St., Lansing
- Rep. Brian Elder (D-Bay City) Fundraiser**
Location: 12 p.m., Michigan Beer and Wine Wholesalers, Lansing
- Rep. Julie Brixie (D-Okemos) Fundraiser**
Location: 12 p.m., Michigan Health and Hospital Association, Lansing
- Sen. Curt VanderWall (R-Ludington) Fundraiser**
Location: 4:30 p.m., Michigan Beer and Wine Wholesalers, Lansing
- Senate Democratic Fund Fundraiser**
Location: 5 p.m., EnVie, 210 South Washington Square, Lansing
- Rep. Angela Witwer (D-Delta Twp.) Fundraiser**
Location: 5:30 p.m., Country Club of Lansing, Lansing
(Special guest: McLaren Greater Lansing President and CEO Kirk Ray)
- March 19** **Rep. Gary Howell (R-North Branch) Fundraiser**
Location: 8 a.m., Michigan Beer and Wine Wholesalers, Lansing
- Rep. Thomas Albert (R-Lowell) PAC Fundraiser**
Location: 8 a.m., Michigan Municipal League, Lansing
- Rep. Alex Garza (D-Taylor) Fundraiser**
Location: 10 a.m., Michigan Municipal League, Lansing
- Sen. Jim Ananich (D-Flint) PAC Fundraiser**
Location: 11:30 a.m., Karoub Associates, Lansing
- Senate Republican Campaign Committee Fundraiser**
Location: 5 p.m., Fieldstone Grill, 3970 Centre Ave., Portage