

CAPITOL NEWS UPDATE

WEEK OF FEBRUARY 28, 2022



McAlvey Merchant
& ASSOCIATES

SENATE PASSES \$2.5 BILLION TAX CUT, WHITMER CALLS FOR TALKS

The Michigan Senate approved a \$2.5 billion tax cut proposal on Thursday, sending it on to Gov. Gretchen Whitmer's desk.

As passed, the Senate plan, SB 768, would lower the personal income tax rate from 4.25 percent to 3.9 percent and reduce the age for receiving an exemption on retirement income to age 62 if they qualify after exercising the standard deduction.

The Senate also passed along party lines, a substituted version of SB 392, which would cut the corporate income tax rate from 6 percent to 3.9 percent.

The proposal's sponsor, Sen. Aric Nesbitt (R-Lawton), said the tax cut would be "historic," and that "it acknowledges that every Michigander needs help at this time of record-high inflation, supply chain shortages and communities struggling to recover from shutdowns."

Whitmer quickly reacted to the vote, sending a letter to House and Senate leadership asking to begin negotiations on both the budget and potential tax cuts.

"In its current form, this bill is fiscally irresponsible, unsustainable, and could increase costs for Michigan families at a time when they can least afford it," Whitmer wrote in the letter. "This legislation will create a massive, ongoing, multi-billion-dollar budget deficit. This would force the Legislature to either raise taxes on Michigan families, or make deep and painful cuts to public schools, road repairs, and police and fire protection."

The nonpartisan Senate Fiscal Agency has projected the Republican-backed changes would cut state revenues by \$2.9 billion in the next fiscal year and by \$2.5 billion the year after that.

The tax cut negotiations are key to the ongoing budget deliberations.

2022 SPECIAL ELECTION PRIMARY RESULTS

Special election primaries were held in four House districts this week to determine who will run to replace vacant seats left by Sen. Mark Huizenga (R-Walker) in the 74th and Sen. Doug Wozniak (R-Shelby Twp.) in the 36th, both of whom resigned to go onto the Senate; Rep. Abdullah Hammoud who resigned to become mayor of Dearborn, and a fourth seat left vacant when former Rep. Andrea Schroeder of the 43rd died from cancer in 2021.

15th House District – Wayne County: Democrat Jeffrey Pepper defeated Alabas Farhat to go onto the general election to replace former Rep. Abdulla Hammoud, currently serving as Dearborn’s mayor. Pepper works in family law mediation.

36th House District – Macomb County: Republican Terence Mekoski defeated Slyvia Grot by 328 votes. He will face Democratic candidate James Diez in the general election. Mekoski, a law enforcement officer for 34 years, spent 26 at the Oakland County Sheriff’s office, and works with the U.S. Drug Enforcement Administration. He is reportedly focused on demanding a full forensic audit of the 2020 presidential election.

43rd House District – Oakland County: Republican Mike Harris of Waterford Twp. beat key candidate Heidi Warrington of Clarkston, among other Republicans. Harris, also a former law enforcement officer, received 3,604 votes to Warrington’s 2,285. Harris was endorsed by The Michigan Freedom Network.

74th House District – Kent County: Republican Robert Regan took the 74th House District seat by defeating favorite Steven Gilbert by 81 votes. Regan has run for the House before and lost in the primary in 2014, 2018 and 2020. He will face Democratic candidate Carol Glanville in the May general election. Mark H. Regan’s website lists his priorities as making English the official language in Michigan and wanting to “revise or repeal no-fault auto insurance laws.”

WHITMER DIRECTS MDOT TO ACCELERATE POTHOLE REPAIRS

Gov. Whitmer signed an Executive Directive on Wednesday instructing the Department of Transportation to quicken its pace and focus all its assets on repairing potholes on state trunklines as soon as possible.

“Dealing with car damage from driving over potholes while on your way to work or school is frustrating for every Michigander. That’s why I’m directing the state transportation department to speed up pothole repairs. We’re kicking this into overdrive, using overtime pay and contractors to get the job done, while we continue broader improvement projects across the state,” Whitmer said.

The directive charges MDOT with planning for road repairs as soon as conditions are appropriate, prioritizing patrols of state trunkline highways to assess road surface conditions, ensuring the public can easily communicate the location of potholes and other road issues and ensuring timely disbursements of Michigan Transportation Fund dollars to local agencies to assist in local road repairs.

WHITMER ORDERS STATE TO DIVEST FROM RUSSIAN FIRMS

On Tuesday, Gov. Whitmer sent a letter to State Treasurer Rachael Eubanks ordering her to divest the state’s pension plans and trust funds from any Russian-based institutions in response to Russia’s war against Ukraine.

The letter asked Eubanks to pull out the State's trust funds from Russian investments, and asked the State of Michigan Investment Board to hold a special meeting to divest pension plans from the same.

The State of Michigan Retirement System has approximately 0.06% of its overall portfolio in holdings associated with Russian companies, according to Treasury and the Governor's office.

MM&A BRIEFS

ROY LEVY WILLIAMS, ADVISOR ON URBAN MATTERS TO 3 GOVERNORS, DIES AT AGE 83

Roy Levy Williams, a longtime member of the Michigan State Housing Development Authority and aide to three Michigan Governors died on Feb. 11 in Grosse Pointe Woods according to a release.

Williams served as an aide under Republican governors William Milliken and John Engler, and Democrat Governor James Blanchard.

Williams was a community organizer for Detroit Urban League before leaving to work as an aide to Governor Milliken. He rejoined the Urban League to become its president and CEO before leaving for a position with the Chrysler Corporation where he oversaw community relations.

He is survived by his wife, Patricia; son, Malik; and daughter, Lauren Williams.

FORMER SENATOR JOHN MOWAT DIES AT AGE 95

Former State Senator John Mowat passed away on Feb. 14. A Republican from Adrian, Mowat served in the Legislature from 1971-82, representing a district along the Michigan/Ohio border, serving in the House from 1971-78. He also served in the Army Air Force during World War II.

CALENDAR OF IMPORTANT EVENTS

March 8 Rep. Stephanie Young (D) Fundraiser

Location: 8:30 a.m., Michigan Beer and Wine Wholesalers Association, 332 Townsend St., Lansing

Rep. Bryan Posthumus (R) Lunch Event

Location: 12 p.m., Kelly's Downtown, 220 S. Washington Square

Rep. Angela Witwer (D) Fundraiser

Location: 4:30 p.m., Michigan Beer and Wine Wholesalers Association, 332 Townsend St., Lansing

- March 9** **Rep. Kyra Bolden (D) - Reception**
Location: 8 a.m., Michigan Beer and Wine Wholesalers Association, 332 Townsend St., Lansing
- Rep. Samantha Steckloff (D) - Fund for Democratic Women PAC**
Location: 11 a.m., Michigan Beer and Wine Wholesalers Association, 332 Townsend St., Lansing
- Sen. Michael MacDonald (R) - Luncheon**
Location: 12 p.m., Karoub Associates, 121 West Allegan St., Lansing
- Rep. Regina Weiss (D) - Fundraiser**
Location: 4:30 p.m., Michigan Beer and Wine Wholesalers Association, 332 Townsend St., Lansing
- Rep. Tyrone Carter (D) - Lansing Reception**
Location: 5 p.m., Corey's Lounge, 1511 South Cedar St., Lansing
- March 10** **Rep. Jack O'Malley (R) Reception**
Location: 8 a.m., Karoub Associates, 121 West Allegan St., Lansing
- Sen. Stephanie Chang (D) Reception**
Location: 6 p.m., Weitz and Luxenberg, Fisher Building, 24th Floor, 3011 East Grand Blvd, Detroit
- Rep. Rachel Hood (D) Virtual Happy Hour**
Location: 7 p.m., Web Conference (Zoom link will be given upon RSVP).
- March 12** **Taiwanese American Community Reception for Sen. Stephanie Chang (D)**
Location: 1:30 p.m., Forest Lake Country Club, 1401 Club Dr., Bloomfield
- March 15** **Rep. Ann Bollin (R) CTE March Madness Breakfast Reception**
Location: 8 a.m., Governors Room, Karoub Associates, 121 West Allegan St., Lansing
- Rep. Amos O'Neal (D) - St. Paddy's Day Pot O'Gold Dinner**
Location: 4:30 p.m., Michigan Beer and Wine Wholesalers Association, 332 Townsend St., Lansing
- House Democratic Caucus - March to Majority Fundraiser**
Location: 5 p.m., Michigan Realtors', 720 North Washington Ave., Lansing

Sen. Lana Theis (R) - Shamrock Shenanigans Breakfast

Location: 8 a.m., Michigan Beer and Wine Wholesalers Association, 332 Townsend St., Lansing

Rep. Richard Steenland (D) Lunch Reception

Location: 11:30 a.m., County Road Association of Michigan, 101 South Washington Square STE 200, Lansing

Sen. Wayne Schmidt (R) Shamrock Round Up

Location: 12 p.m., Karoub Associates, 121 West Allegan St., Lansing