

CAPITOL NEWS UPDATE

WEEK OF SEPTEMBER 26, 2022



McAlvey Merchant
& ASSOCIATES

MICHIGAN SUPREME COURT TO CONSIDER AUTO INSURANCE REFORM

Auto insurance companies will be allowed to challenge Michigan Court of Appeals ruling cutting parts of reforms

The Michigan Supreme Court on Thursday ruled that auto insurance companies will be allowed to appeal a decision that said the cost cuts to lifetime health benefits for those catastrophically injured in traffic crashes—which were part of the 2019 no-fault auto insurance reforms—could not be applied retroactively.

The Supreme Court also said it will take up considering the lower court's decision which included asking whether the amendments were constitutional.

The court, however, denied the motion to stay the impact of the Court of Appeals decision, meaning that for at least the next six months, the Michigan Court of Appeals decision will remain law.

The Appeals Court decision has already affected the cost of auto insurance in the state after the Michigan Catastrophic Claims Association increased the assessment on vehicles for the first time since the law went into effect. The association changed its fees from a \$122 fee for those with unlimited PIP and no fee for those opting for lower PIP coverage to a \$48-per-vehicle increase for those with lower PIP coverage. This will be in effect from July 1, 2023, to June 30, 2024.

The Supreme Court will take up the case in March.

Auto insurers had pushed for a stay while the appeal of the case was being heard and have said that any progress toward lowering the state's car insurance costs, which are the highest in the nation, would be stalled.

LEGISLATURE PASSES ELECTION PREPROCESSING AND SECURITY BILLS

Legislation allowing local clerks to start processing absentee ballots two days before the election and additional election security measures were passed with bipartisan support this week.

The two-day preprocessing period is an option for communities with at least 10,000 residents eligible to vote on the Sunday and Monday before an election. It does not, however, allow for tabulating results early.

The additional security measures for absentee ballots include requiring election officials to maintain a log each time they collect ballots from ballot drop boxes and setting up a process to regularly remove dead voters from the Qualified Voter File.

Additional changes, which will take effect after the Nov. 8 election, include expanding the venues that can serve as polling locations to include banquet and conference centers, along with recreation clubhouses so long as they are not owned by a sponsor of a political committee or candidate. The legislation also allows active-duty military members to return their ballots electronically.

Proponents from both parties remarked that the package was a reasonable compromise to support election integrity.

LAWMAKERS PASS \$1 BILLION SUPPLEMENTAL WITH \$846 MILLION IN ECONOMIC DEVELOPMENT INCENTIVES

A mix of Republican and Democrat legislators passed a bill sending nearly \$850 million to Michigan's Strategic Outreach and Attraction Reserve fund, designed to provide money to private businesses that pledge to locate or expand in the state.

The bill was part of more than \$1 billion in supplemental spending bills passed by lawmakers early this week.

SB 844, which includes nearly \$850 million in funds, passed the House with a vote of 78-26 and the Senate by 25-8 votes.

Of the \$1 billion in supplemental spending, \$983.4 million comes from the General Fund. From that, \$846.1 million will go toward the SOAR Fund, adding nearly \$300 million to the fund and reauthorizing \$220 million. It also includes nearly \$350 million for site prep, \$100 million of that which is designated for landfills.

Lawmakers also approved SB 842 containing \$12.2 million in school aid funds to go toward a literacy tutoring program, a robotics program, and a scholarship fund for low-income students.

Senate Majority Leader Mike Shirkey (R-Clarklake) supported the bills, saying that they showed the state's priorities.

"I want to send a strong message that Michigan's serious about being competitive," he said.

The bills also caused contention, however, when the House Appropriations Committee chair, Rep. Thomas Albert (R-Lowell), stepped down as committee chair the morning of the passing of the bills saying that he could not support spending additional money in light of federal spending and inflation, calling the bills "reckless and irresponsible to taxpayers."

The supplemental also included \$20 million in funding for a potential settlement payment related to the *Unemployment Insurance Agency* case, \$25 million for child caring institution rates for

children receiving services, \$15 million for a Detroit Wayne Integrated health network psychiatric campus, \$15 million for grants to nonprofits providing housing for foster youth, \$12 million for a grant to the city of Adrian to remove blight and fund river cleanup, and \$800,000 for Binder Park Zoo improvements. The bills were sent to Governor Whitmer for approval.

MM&A BRIEFS

POLL: WHITMER HOLDS DOUBLE-DIGIT LEAD

Governor Gretchen Whitmer holds an 11 percent lead over the Republican gubernatorial candidate Tudor Dixon.

The survey was commissioned by *MIRS*, Governmental Consultant Services Inc., and the Life Insurance Association of Michigan and was conducted by the Lansing-based polling firm of EPIC/MRA.

CALENDAR OF EVENTS

Oct. 2 Sen. Stephanie Chang (D-Detroit) Changemaker Fund

Location: 2 p.m., Address upon RSVP

Oct. 3 Sen. Roger Victory (R-Georgetown Twp.) Values Fund

Location: 9 a.m., Pigeon Creek Golf Course, 10195 120th Ave., West Olive

Supporters of Rep. John Cherry (D-Flint)

Location: 9 a.m., Grand Blanc Sportsman's Club, 9046 Irish Road, Grand Blanc

Oct. 4 Rep. Mike Mueller (R-Linden) Leadership Reception

Location: 9 a.m., County Road Association, 101 South Washington Square, Suite 200, Lansing

Oct. 5 Friends of U.S. Rep. Mark Huizenga (R)

Location: 7:30 a.m., Governors Room, Karoub Associates, 121 West Allegan St., Lansing

Vote Rep. Kelly Breen (D-Novi)

Location: 11:30 a.m. Michigan Municipal League, First Floor, 208 North Capitol Ave., Lansing

Rep. Greg VanWoerkom (R-Norton Shores) Rooftop Reception

Location: 5:30 p.m., Finn's Chophouse & Speakeasy, 110 West Savidge St., Suite 100, Spring Lake

38th House District Candidate Kevin Whiteford (R) Evening Reception

Location: 6 p.m., Shadowland Ballroom, 333 Broad St., Saint Joseph, 6 p.m.

Oct. 7 Sen. Roger Victory (R-Georgetown Twp.) Value Fund

Location: 7:30 p.m., The Pinnacle Center, 3330 Highland Drive, Hudsonville

Oct. 8 Sen. Dale Zorn (R-Onsted) for State Representative

Location: 7 p.m., PlaneWave Campus, 1375 North Main St., Adrian

Oct. 9 Rep. Julie Brixie (D-Okemos) for State Representative

Location: 2 p.m., Stephenson Home, 2004 Timberview Drive, Okemos

Sen. Stephanie Chang (D-Detroit) Changemaker Fund

Location: 4 p.m., Luigi's Restaurant, 2132 Davison Road, Flint

**Oct. 11 31st House District Candidate Reggie Miller (D) - Happy Hour and Hors
D'oeuvres**

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

Friends of Rep. David LaGrand (D-Grand Rapids)

Location: 5 p.m., 1353 Bridge St. NW, Grand Rapids

80th House District Candidate Phil Skaggs (D) - Cocktails on the Lake

Location: 5:30 p.m., Grand Rapids Yacht Club, 740 Lakeside Drive, SE East Grand Rapids

Oct. 12 Sen. Michael MacDonald (R-Macomb Twp.) For Senate

Location: 6 p.m., Jenuwine Cigar Lounge, 44791 Schoenherr Road, Sterling Heights