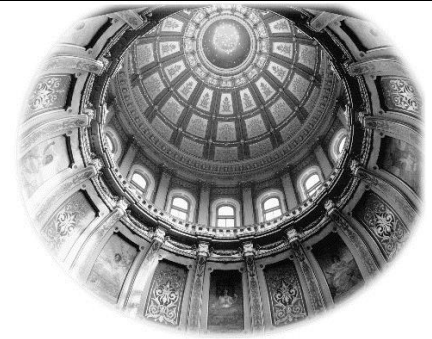


CAPITOL NEWS UPDATE

WEEK OF November 14, 2014

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SENATE GETS THE VOTES FOR TRANSPORTATION FUNDING

It took two votes, but the Senate on Thursday passed transportation funding legislation that is hoped to generate an extra \$1 plus billion. The plan, which is an amended version of House Bill 5477, was passed 23-14 on the second vote. The first vote failed 18-15.

It would raise scrap the current 19-cent-per-gallon gas tax and replace it with a wholesale gas tax that would start at 9.5 percent April 1, 2015 and increase two percentage points each year until 2018 when it will stay at 15.5 percent.

As part of the package, the Senate also passed House Bill 5453 that would incorporate stiffer fines for overweight trucks on a 37-0 vote; Senate Bill 0281 that allocates revenue from three cents of the motor fuel tax to maintain and repair the state's moveable bridges by a 30-6 vote; and Senate Bill 0200 which would require the state to give preference to and solicit bids from county road commissions for maintenance work on state trunk lines on a 37-0 vote.

SJR A, a road funding initiative that would put a 1 percent sales tax increase on the statewide ballot failed on two attempts. However, Senate Majority Leader Randy Richardville (R-Monroe) did not rule out the possibility of bringing it up again for a third vote.

Richardville, who put forth the amended version, said to get the Democratic votes he needed for passage of his plan, was the inclusion of language that will give the city of Detroit more flexibility to invest in mass transit.

Last June, Senate Minority Leader Gretchen Whitmer (D-East Lansing) helped negotiate a \$200 million restoration to the Homestead Property Tax Credit that is still awaiting House action as part of the deal.

The Senate action differs from a House-backed plan passed earlier this year that would have brought in about \$450 million to roads by switching to a revenue-neutral wholesale gas tax rate and relying on General Fund money for the increase.

BILLS INTRODUCED IN HOUSE ELLIOTT-LARSEN. RELIGIOUS RIGHTS

Two bills (HB 5958 and 5959), that House Speaker Jase Bolger (R-Marshall) said would provide civil rights protections for sexual orientation while also specifically protecting religious freedoms, were introduced in the House Wednesday.

House Bill 5958, introduced by Bolger, would create the Michigan Religious Freed Restoration Act (MiRFRA) based on the federal Religious Freedom Restoration Act which would not require to person to take part in an activity that violates his or her "sincerely held religious beliefs."

House Bill 5959, introduced by Rep. Frank Foster (r-Petoskey) introduced the bill on Elliott-Larsen that would protect sexual orientation and gender identity.

The two measurers are not tie-barred.

WHAT ELSE IS UP FOR LAME DUCK?

The Senate, on a 32-4 vote earlier this fall, fast tracked and sent to the House legislation (SB 1103) that would boost the state's commitment to the film industry by eliminating a 2017 sunset on Michigan's film incentive program, amending funding caps set to begin in 2015, and replacing references to Michigan personnel expenditures with references to "qualified" expenditures.

Rep. Pete Lund (R-Shelby Township) is introducing legislation that would change the way Michigan divvies up its Electoral College presidential votes from a the current winner-takes-all system to one based on congressional districts, but it isn't get any positive reception from Richardville in the Senate.

Other possibilities include new teacher evaluation standards, the McLaren Health Hospital construction issue, medical marijuana reforms, Certificate of Need changes, No-Fault reform, regulation of E-cigarettes and the expansion of the Education Achievement Authority.

CAUCUSES ELECT LEADERSHIP FOR 98TH SESSION

Rep. Kevin Cotter (R-Mt. Pleasant) has been elected to lead the Republican-controlled House as Speaker of the House next session. Republicans increased their margin to 63-47.

On the Democrat side, House Minority Leader Tim Greimel (D-Auburn Hills) will serve another term as leaders of the Democratic caucus. Rep. Sam Singh (D-East Lansing) was elected Minority Floor Leader.

Senate Majority Floor Leader Arlan Meekhof (R-West Olive), who led the GOP caucus campaign operation that increased its already 26-seat super majority to 27, was elected Senate Majority Leader for next session with no opposition.

Sen. Mike Kowall (R-White Lake) will be the new Senate Majority Floor Leader, Sen. Dave Robertson (R-Grand Blanc) becomes Senate Caucus Chair, Sen. Jack Brandenburg (R-Harrison Twp.) was re-elected Senate Majority Whip, and Sen. Tonya Schuitmaker (R-Lawton) retained her post as Senate President Pro Tempore.

Meekhof has tapped Sen. Dave Hildenbrand (R-Grand Rapids) as chair of the Senate Appropriations Committee. Hildenbrand, a former House Minority Floor Leader, sat on the House Appropriations Committee for one of his three terms.

Bob DeVries, who has served as Meekhof's current chief of staff will continue in the role managing the Senate Majority Leader's office and oversee all Senate staff operations.

On the Democrat side, Sen. Jim Ananich (D-Flint) was elected Senate Minority Leader of what will be an 11-member caucus and Sen. Morris Hood (D-Detroit) will be the new Senate Minority Floor Leader.

SENATE PASSES MEDICAL RETAINER AGREEMENTS

Legislation (SB 1033) aimed at revamping the way Michigan residents are covered for health care services passed the Senate last week and is headed to the House.

According to the bill's sponsor, the measure would give primary care providers the option to market and sell medical retainer agreements by stipulating the agreements are not insurance and allowing health care providers to sell them without an insurance license.

The concept is allowed under the Affordable Care Act and has been implemented in other states.

The measure passed 26-11 along party lines.

CHARTER SCHOOL AUTHORIZERS CALL FOR RULE-MAKING PROCESS

The Michigan Council of Charter School Authorizers (MCSA), in a letter to Superintendent of Public Instruction Mike Flanagan, is asking that he promulgate administrative rules clarifying the process and criteria to be used when analyzing whether to suspend a charter school authorizer's ability to issue charter school contracts.

MCCSA says any set of standards used to make such decisions need to be transparent and not arbitrarily altered adding that any arbitrary decision could disproportionately impact minority students and students from low-income families.

POLITICS AND POLLS

Poll: Slight majority support sales tax shift to fix roads. A recent statewide survey of Michigan voters conducted by Marketing Resource Group (MRG) showed 53 percent would support redirecting some of the six-percent sales tax collected on gasoline sales to repairing and maintaining state roads and bridges.

Poll: Support for legislation to require fair hospital fees for auto accident healthcare. In the same survey more than 83 percent of the respondents said they support legislation that would require hospitals to charge care insurance companies and healthcare insurers the same amount for services saying it is unfair for hospitals to charge auto insurance companies more than they charged other medical insurance companies.

M M & A BRIEFS

Senate panel OKs early warning bills for schools. The Senate Appropriations Committee has approved a four-bill package of legislation (SBs 0951, 0952, 0954 and 0957) that would create an early warning system aimed at catching school districts and charter before they slip into financial disaster. Under SB 0957, the Department of Treasury would step in to assist troubled districts and help them avoid an emergency manager or consent agreement. However, the committee did not take action on a key piece of the package that would place new financial reporting requirements on districts, requiring the state to use that information to identify at-risk districts.

House panel moves sentencing reforms. Sentencing reform legislation (HBs 5928, 5929, 5930 and 5931) designed to reduce the state's prison and jail populations while putting greater emphasis on probation and parole supervision. It also would implement a justice policy commission. The measures have moved from the House Appropriations Committee to the full House. Attorney General Bill Schuette says he has "grave concerns" over the four-bill package. While he signaled support for the commission and proposed changes to the Community Corrections Act, he expressed objections to the presumptive parole reforms.

House committee to hold a hearing on Electoral College changes. Rep. Lisa Posthumus Lyons (R-Alto), chair of the House Elections and Ethics Committee, said she expects to begin considering a proposal (HB 5974) next week to divvy up votes in the current winner-take-all law into one that would divide the votes based on how well the winning presidential candidate does. Under the bill, nine of the state's current 16 Electoral College votes would go to the presidential candidate who won the state. The remainder would be distributed based on the margin of victory.

Federal judge dismisses state's domestic partner benefit plan. After filing an injunction on the law in June of 2013, U.S. District Court Judge David Lawson this week threw out the 2011 state law that banned public employers from offering domestic partner benefits saying the state failed to show any "credible justification for the law" and called the ban "amounts to a 'discrimination of an unusual character.'" The decision means that school districts, local governments and community colleges can continue to offer domestic partner benefits as they have been since the injunction.

CALENDAR OF IMPORTANT EVENTS

Nov. 14	House/Senate begin Thanksgiving Break
Nov. 27	THANKSGIVING
Dec. 2	House and Senate return from Thanksgiving Break for the remaining nine scheduled days of lame duck session

