

CAPITOL NEWS UPDATE

WEEK OF NOVEMBER 30, 2012

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LAME DUCK...HOW LAME?

With three days of the Legislature's scheduled 12-day Lame Duck session elapsed, lawmakers still find many of their priority agenda items still languishing.

Reform of BCBSM: The week came and went without House Republicans unveiling their substitute to alter the Blue Cross Blue Shield of Michigan reform legislation. Both House Republican and Democrat committee members are awaiting the substitute language.

The House Insurance Committee adjourned Thursday without any action on SBs 1293 and 1294.

House Speaker Jase Bolger (R-Marshall) said late Thursday "We're going to continue to work on it. If it's ready and we've addressed those issues, then we'll get it done."

Personal Property Tax: A revamped personal property tax (PPT) repeal plan was unveiled by Lt. Gov. Brian Calley before the House Tax Policy Committee on Tuesday, but bills for the new plan had not yet been drafted and any new House-generated bills would need to pass the House by next week.

The latest plan uses expiring tax credits and a dedicated 1.5 percent of the state's \$1.2 billion 6 percent use tax to reimburse impacted local units of government as the PPT is phased out over a ten-year period. However, the use tax portion requires a vote of the people.

The measure also creates a new "metro authority" to ensure communities have 100 percent of their police, fire and ambulance services covered and 80 percent of the money going to other services provided as well.

Health Insurance Exchange: Nine Republican members of the House Health Policy Committee joined together Thursday and rejected legislation (SB 0693) to create a state-operated health care exchange in Michigan. After the committee vote, Speaker Jase Bolger declared the bill dead. This means a state-federal partnership being pursued by Gov. Rick Snyder is back on the front burner.

Regional Transit Authority: The five-bill RTA, which is included in Gov. Rick Snyder's infrastructure vision, cleared the Senate this week with the help of nearly all Democratic lawmakers. There was no discussion.

The RTA is key to Michigan tapping into millions of dollars from the federal government for transportation projects including \$25 million for a Detroit streetcar line along Woodward Avenue and development of a rapid bus system.

The legislation (SBs 0909, 0911, 0912, 0967 and 0445) now goes to the House Transportation Committee where Chairman Paul Opsommer has shown a reluctance to deal with difficult issues.

Right to Work: Although the issue is at the top of many Republicans' Lane Duck agenda, there was no movement on the issue this week...maybe next week...maybe not at all in Lane Duck. After meeting for one hour with Republican leaders on Thursday, Gov. Rick Snyder announced there would be no action that day and called on business and labor to discuss the issue. Prior to the GOP confab, Snyder met with UAW President Bob King.

The possibility of RTW action Thursday had hundreds of union activists ready to congregate at the Capitol for an impromptu demonstration. That triggered the appearance of some 20 state troopers around the Capitol and at least five Michigan State Police cars ushering Gov. Rick Snyder on his arrival at the Capitol.

On Wednesday, union leaders met with House Speaker Jase Bolger (R-Marshall) to make a personal appeal for the GOP leader to not take up any RTW legislation during Lane Duck.

Snyder has not said publically whether or not he will sign RTW legislation if it reaches his desk – only that it is not on his agenda.

School Aid Rewrite: The Oxford Foundation has released a 300-page draft rewrite of the School Aid Act, penned by Lansing lawyer Richard McLellan at the request of Gov. Rick Snyder. It is up on the Internet for comment and is drawing some sharp criticism as would be expected. The report can be found at: oxfordfoundationmi.com.

Legislation codifying an interlocal agreement between the Detroit Public Schools and Eastern Michigan University has been introduced in both the House and Senate. The agreement creates the Education Achievement Authority (EAA) which has taken responsibility for and runs 15 failing schools in Detroit. The legislation is intended to enshrine the EAA into law. It would also extend its responsibility to the rest of the State. The EAA would have the authority to take over schools that are in the bottom 5% of schools on the State's list of persistently low-achieving schools.

The legislation (HB 6004 and SB 1358) is stalled in both the Senate and the House.

SNYDER: LEVERAGE ENVIRONMENT/ENERGY ASSETS

Saying it is time to move energy and the environment much higher on the agenda list, Gov. Rick Snyder on Thursday unveiled a plethora of proposals to better leverage the state's assets for greater economic growth yet protects Michigan's environment.

On the energy front, the Governor called for considering the development of a natural gas reserve; legislative action to give carbon dioxide pipelines the same legal standing as other pipelines in the state; creating a stronger electrical connection between the state's two peninsulas; legislation requiring an energy efficiency rating on homes when they are sold; and beginning a one-year conversation about the next step in renewable energy after the state hits its current portfolio standard of 10 percent in 2015.

On Great Lakes issues, Snyder who was named this week as co-chair of the Council for Great Lakes Governors, said he hopes to bring a renewed focus on fighting invasive aquatic species, i.e. Asian carp. "On Asian carp, we're not cutting it," he said.

Other Great Lakes issues include better handling of ballast water problems and further development of the state's water withdrawal system.

In the area of land use, Snyder proposed connecting the trails in Michigan to create a pathway from Belle Isle in Detroit to the Wisconsin border.

For the complete text of his address go to www.michigan.gov/snyder and click on Energy and Environment of the right side of the page.

POLITICS AND POLLS:

Schostak to face challenge. Kent County Republican Party Chair Sam Moore is poised to challenge Michigan Republican Party (MRP) Chair Bobby Schostak who has formally announced his bid for a second term. The 30-year old Moore is making phone calls and gathering support in preparation for a formal announcement down the road.

M M & A BRIEFS

Concealed weapons o.k. in churches and schools. Concealed weapons could be carried in schools, churches, bars, daycares, college dorms, hospitals and stadiums under legislation (SB 0059) approved Thursday on a 26-11 vote in the Senate. Under the bill, a person with a concealed pistol license (CPL) would be allowed to carry a concealed pistol in no-carry zones if they complete an additional course.

State severance tax on mining operations one step closer. The House on Thursday passed HB 6008 that would inflict a state severance tax on nonferrous mining operations in Michigan. The action came after the Snyder administration, the mining industry, local governments and lawmakers have all signed off on a new taxing scheme for mining operations. The agreement levies a 2.75 percent severance tax for mines with 65 percent of the revenue going to local units and 35 percent to a rural development fund.

Senate passes med mal reform. Three bills (SBs 1115, 1117 and 1118) that reform the state's medical malpractice law moved through the Senate on Thursday. The bills do make significant changes in process and standards. Amendments were adopted that ensure there is no retroactivity to the bills. The legislation now goes to the House.

Health care sharing clears the House. The House has passed, without any Democrat support, and sent to the Senate legislation (HB 5805) that would recognize and specifically set a part so-called health care sharing ministries. By exempting the sharing ministries from the Insurance Code, the ministries—in which members agree to help each other pay significant medical bills—would not have to face regulations that should not apply to them.

Tax exemptions for fetuses? The House Tax Policy Committee is considering legislation (HBs 5684 and 5685) that would offer a state income tax credit for any fetus reaching 12 weeks. Advocates say the bills would benefit young families. Opponents argue the legislation in an attempt to give legal recognition to unborn children.

On-line sales tax is getting some attention. The House Tax Policy Committee this week took testimony on legislation (HBs 5004 and 5005) that would put online-only retailers under the same sales-tax collection laws as traditional stores. The bills' sponsors say they are tired of waiting for the federal government to come up with a fix to the unfairness problem.

No votes for health care claims tax. Legislation to increase the Health Insurance Claims Assessment (HICA) tax has been introduced by Senator Roger Kahn (R-Saginaw) who is looking for options to make up for a \$144 million shortfall in Medicaid funding.

Hilfinger going to MEDC. Licensing and Regulatory Affairs (LARA) Director Steve Hilfinger is departing Dec. 7 to become the Chief Operations Officer (COO) at the Michigan Economic Development Corporation (MEDC). LARA Deputy Director Steve Arwood will assume the duties of director until a permanent director is appointed.

CALENDAR OF IMPORTANT EVENTS

December 6	Post-Election Campaign Statement due for November 6 th Election
December 20	Last scheduled day of session for House and Senate
December 24/25	Christmas Holiday (State offices closed)
December 31/ January 1	New Year's Holiday (State offices closed)