

CAPITOL NEWS UPDATE

WEEK OF DECEMBER 6, 2013

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SENATE SENDS CLEAR SIGNAL ON AT&T BILLS

A revamped version of Senate Bill 0636 designed to give AT&T and other incumbent phone companies to move its customers off traditional landlines to internet-based service after Jan. 1, 2017 cleared the Senate Thursday on a vote of 34-1

The Senate-passed version gives a little more authority to the Michigan Public Service Commission (MPSC), which now has the authority to declare an emergency and identify a willing provider if a customer's service is not up to par.

JUDGE: DETROIT IS BANKRUPT

In a 140-page opinion, Federal Judge Steven Rhodes ruled the City of Detroit is eligible for Chapter 9 bankruptcy protection.

On the issue of insolvency, Rhodes said the city "was and is insolvent" adding the city cannot pay its debts on time or at all.

Rhodes also concluded that the city is "service-delivery insolvent" addressing the woes involving street lighting improvements and providing adequate police and fire protection.

Gov. Rick Snyder and Emergency Manager Kevin Orr praised the judge's decision – Snyder saying "We are confronting decisions that have been ignored for too long."

Orr called on creditors and labor leaders to continue to work with him on the plan of adjustment, which is due to Rhodes by March 1.

The unions and retirees were not so happy, primarily due to Rhode's decision that municipal pensions are not protected under law while in bankruptcy court. However, Rhodes said he would not necessarily rubber-stamp a restructuring plan for Detroit that contains pension cuts.

The unions and retirees had challenged the city's bankruptcy filing on several fronts.

ABORTION INITIATIVE IN LAWMAKERS' HANDS

An initiated law that would make elective abortion an option rider on insurance policies now rests with the Legislature.

On the Senate side, the issue is now in the Government Operations Committee where Senate Majority Leader Randy Richardville (R-Monroe), who chairs the committee, says he doesn't yet have a timeline in mind.

On the House side, the Right to Life of Michigan proposal has been placed on second reading, but a spokesman for Speaker Jase Bolger (R-Marshall) said it is still possible the proposal could be referred to a committee.

Senate Democrats said the people should decide and are developing a strategy to prevent the legislature from getting it done.

If the Legislature does not act, it would go to a vote of the people.

ED REFORM BILLS GET PASSING GRADE IN COMMITTEE

The House Education Committee this week approved two bills (HB 5112) that would enact an A-F letter grade system for rating schools and (HB 5111) that would set a new reading standard for third-grade students.

Currently, the Michigan Department of Education (DOE) uses, in part, a color-coded system for evaluating schools.

The legislation, if enacted into law, could impact every public school and thousands of students in Michigan.

According to lawmakers, about one-third of students are not proficient in reading by the end of the third grade.

BILL WOULD LEGALIZE SMOKING AT RESTAURANTS – OUTSIDE

Legislation (HB 5159) has been introduced that would allow business owners to allow smoking on commercial properties like patios and outdoor seating areas that are less than 50% enclosed.

However, the Michigan Restaurant Association (MRA) would rather a match be touched to the bill than to the cigarettes of patrons seated in restaurant patios or outdoor seating areas. The MRA contends the measure would create an uneven playing field and turn the page on the smoking ban issue.

Not every establishment has patio space and due to zoning ordinances a location may not be able to expand.

The bill is in the House Committee on Regulatory Reform.

LOTTERY IS GAMBLING ON iLOTTERY TO BOOST SALES

Without financial support from the Legislature, the Michigan Lottery has decided to move forward with its plan to offer online lottery games.

iLOTTERY services are expected to be offered in the fourth quarter of 2014 and will be paid for with existing funds – a percentage of gross profits from iLOTTERY games.

In June, the Legislature refused to include \$3.4 million in start-up funds for the online service in the FY 2014 budget.

The move is unsettling to retailers who offer lottery games as their establishments. They earn 6 percent of every lottery ticket sold and fear they will lose sales as some customers choose to buy online.

POLITICS AND POLLS

Snyder's approval rating continues to climb. A survey by MSU's Institute for Public Policy and Social Research released Thursday shows Gov. Rick Snyder's approval rating at 35.6 percent – the highest since the summer of 2012. This compares to 29.2 percent in the spring and 34.0 percent last winter. His high-water mark on the survey was 44.5 percent soon after taking office in January 2011.

By contrast, the most recent survey conducted Aug. 24-Oct.27 with a 3.1 percent margin of error, shows President Barack Obama's approval rating in Michigan dropped to its lowest point in three years – primarily due to issues related to the Affordable Care Act.

Benson backs away. Jocelyn Benson, interim law school dean at Wayne State University, has backed away from a possible run as a Democrat in the 11th Congressional District currently held by U.S. Rep. Kerry Bentivolio (R-Milford). Benson was the Democratic Party's Secretary of State nominee in 2010.

Steele is now seeking U-M Regents slot. Dr. Rob Steele, who recently bowed out of a U.S. Senate bid, is now seeking the Republican Party's nomination for the University Board of Regents in 2014. He sought the spot in 2012. Also seeking the GOP nomination are Dan Horning and former Michigan Republican Party (MRP) Chair Ron Weiser.

M & M BRIEFS

Aviation tax changes take to the air in the House. Three bills (HBs 4571, 4572 and 4677) passed the House Thursday in what was noted as a "step" on transportation funding. The measures change the state's flat tax on aviation fuel to a percentage tax based on the average wholesale price, exempt aviation fuel from the state sales tax and attempts to backfill money that would be lost for the School Aid Fund (SAF).

Game species protection petition gets go-ahead. A petition to protect the Natural Resources Commission's (NRC) authority to decide the state's game species has gained the approval of the State Board of Canvassers. A coalition of wildlife groups known as the Citizens for Professional Wildlife Management (CPWM) has begun collecting signatures. It has 180 days to collect 258,000 valid signatures to put the initiative before the Legislature.

Keep Michigan Wolves Protected (KMWP) is collecting signatures to put on the November 2014 ballot a referendum of the law that gave the NRC that power.

Court of Claims trailer bill gets okay. Despite Democrats push for more changes, a trailer bill (HB 5156) to the new Court of Claims law passed the House with unanimous support. The measure is meant in certain cases against the state, jury trials in a county circuit court would still be available. The new bill also clarifies that the Attorney General does not have to transfer every pending case against the state to the Court of Claims.

Part-time Legislature is being pushed. A coalition of conservative activists are trumpeting a part-time legislature proposal that calls for lawmakers to meet 60 straight days between January and March and be paid \$35,000 a year beginning on Jan. 1, 2017. The proposal is being pushed for the 2014 ballot. However, as yet no language has been turned into the Secretary of State for Board of Canvassers for approval as to form.

No more old rusty license plates. Gov. Rick Snyder has signed into law legislation (HB 4633) that requires drivers to replace license plates every ten years. Under the law (PA 179), beginning Jan. 1, 2015, drivers will not be able to renew their license plates 10 years after the plates were first issued.

CALENDAR OF IMPORTANT EVENTS

- Dec. 19 Last scheduled House/Senate session day for 2013
- Dec. 24/25 CHRISTMAS OBSERVANCE (State offices will be closed)
- Dec. 31/
Jan. 1 NEW YEAR'S OBSERVANCE (State offices will be closed)
- Jan. 4 Sen. Judy Emmons (R-Sheridan) Birthday Celebration
Location: 8 a.m., Governor's Room, Lansing
- Jan. 4 Rep. Pete Lund (R-Shelby Twp.) Leadership Dinner
Location: 6 p.m., Country Club of Lansing, Lansing
- Jan. 5 Sen. John Moolenaar (R-Midland) Breakfast Reception
Location: 7:30 a.m., Governor's Room, Lansing