

CAPITOL NEWS UPDATE

WEEK OF MAY 27, 2013

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SENATE DRIVES SCHOOL BUS; PUTS BRAKES ON BIG BUS

After the House, on Tuesday, passed the \$15.1 billion education omnibus budget, known as the “School Bus”, the Senate did likewise on Wednesday putting the legislation on the road to Gov. Rick Snyder’s desk.

The Senate, however, put the brakes on the \$34.3 billion general omnibus budget, known as the “Big Bus,” until next week – four days after Snyder’s June 1 budget deadline. The House passed this budget on Tuesday as well.

Included in the House-passed FY 2014 general omnibus and education omnibus budgets are funding increases for Michigan’s public universities, schools and local revenue-sharing programs.

Revenue sharing will see a 4.8 percent increase, for K-12 schools, the budget increases foundation allowances by \$43.5 million, public universities will see a \$31.3 million overall increase with tuition increases capped at 3.75 percent, community colleges will receive a 2 percent hike in operations funding, and transportation needs will get a \$350 billion boost.

The House rejected a provision banning the Lottery from spending any money on an “iLottery” – gaming on the internet – and defunded Lottery’s proposal to bring in 10 new employees and spend another \$3.35 million to create an Internet sales product as part of the General Government conference committee report.

What was not included was any funding in the Department of Education budget to implement Common Core curriculum standards or money in the Department of Community Health budget for Medicaid Expansion to some 300,000 low-income residents. However, that debate will probably live to see another day.

‘SALES TAX ON THE DIFFERENCE’ REACHES HOUSE FLOOR

Legislation (HB 4234) that would allow car or boat buyers who want to trade in their car/boat for either a new or used one would only pay for the sales tax on the difference between the price of the new purchase and the trade-in value of the used one is pending on the House floor after being moved from the House Tax Policy Committee this week.

So as not to hit the state’s pocketbook all at once there is a phase-in provision. For motor vehicles and recreational vehicles, the exemption rate starts at 10 percent of the trade-in value beginning Oct. 1, 2013 and increases by the same percentage each year which would allow the entire value of the trade-in vehicle to be exempted from sales tax in 2018. For watercraft, the total exemption would take effect June 1, 2013.

BILL TAKES SOME OF THE BANG OUT OF FIREWORKS

The House has passed legislation (HB 4743) that would allow local governments to defuse consumer fireworks except for a small window around national holidays.

The original bill would have allowed locals to regulate fireworks usage on any day, including holidays, between midnight and 8 a.m. However, on the floor an amendment was added that gives special considera-

tion to smaller cities and counties, where residents live further apart and night fireworks displays may not disturb as many people.

The bill corrects a 2011 bill that allowed for the open use of consumer fireworks during the summer of 2012 – a move that triggered a plethora of complaints from local units of government and the public that the unregulated big bangs were too noisy too often.

Advocates are hopeful the new law can be in effect in advance of the Fourth of July.

WOLF HUNT GOES TO THE BALLOT

The Board of State Canvassers has unanimously approved the certification of signatures from Keep Michigan Wolves Protected, even though the legislature already sidestepped the group's point – thus placing the wolf hunting referendum before voters on the November 2014 ballot.

The petition seeks to un-do PA 520 of 2012, in which the legislature authorized wolves as a game species and the legislature then passed (SB 0288) which transferred the authority to name a game species from the legislature to the Natural Resources Commission (NRC).

Because the NRC approved a limited wolf hunt under the old law that hunt has now been put on hold. However, the NRC will approve the same thing under the new law at its July meeting.

Now the Keep Michigan Wolves Protected group is considering a referendum on SB 2088.

CANVASSERS OKAY LEGISLATIVE ABORTION INITIATIVE

A legislative initiative designed to ban health insurance companies from including elective abortions into its base policy received approval from the State Board of Canvassers this week. Under the initiative, the coverage would be an optional rider a woman could purchase on her insurance policy.

According to Right to Life of Michigan, the petition "simply says that taxpayers will not have to use taxpayer money, their money, in order to provide for abortion."

Gov. Rick Snyder vetoed something similar last year when abortion rider language was added to the Blue Cross Blue Shield of Michigan reform legislation.

JUDGE SENDS FORMER JUSTICE TO PRISON

U.S. District Court Judge John Corbett O'Meara sentenced former Supreme Court Justice Diane Hathaway to one year and one day in federal prison for felony bank fraud for her role in hiding assets for a real estate transaction.

In addition, Hathaway will have to do two years of supervised release and must pay \$90,000 in restitution. However, she will keep her state pension and her home in Florida.

Hathaway was found to have transferred several assets to family members in order to do a short sale on home that was mortgaged for \$1.4 million and in the short sale was sold for \$800,000.

DEMS FORM TASK FORCE

The House Democratic Caucus has formed a task force that House Minority Leader Tim Greimel (D-Auburn Hills) says is designed to help veterans access the services and health care "they deserve."

Co-chairing the task force are Reps. David Knezek (D-Dearborn Heights) and Harvey Santana (D-Detroit) both whom are veterans. Other task force members are: Reps. George Darany (D-Dearborn), Andrew Kad-

revas (D-Southgate), Marilyn Lane (D-Fraser), Charles Smiley (D-Burton) and Henry Yanez (D-Sterling Heights).

POLITICS AND POLLS

Schauer makes the obvious official. With ongoing announcements of support from Democratic leaders and legislators and the Democratic primary decks supposedly cleared for him, former congressman and Senate Minority Leader Mark Schauer this week made his 2014 gubernatorial bid official sending out e-mail, Facebook and Twitter messages proclaiming, "I am ready to win."

But will Schauer have competition? Mark McFarlin, a 49-year old private investigator from Bay County, who has run unsuccessfully for numerous local offices, officially filed paperwork to form his campaign committee for governor May 23, five days before Schauer filed his paperwork. McFarlin says he is frustrated by the coronation of Schauer as the Democratic candidate.

Hackel staying neutral in Governor's race. Macomb County Executive Mark Hackel, a Democrat, is not climbing on board anyone's campaign for Governor in 2014. Hackel is staying neutral and will not endorse either Democrat Mark Schauer or Republican Governor Rick Snyder.

Will she or won't she? Former Secretary of State Terri Lynn Land has let it be known she will announce on Monday whether she will seek the GOP nomination for U.S. Senate being opened up in 2014 by retiring U.S. Sen. Carl Levin (D-Detroit). Land said she will announce her intentions over Twitter. So far, no Republican has announced for the seat. U.S. Rep. Gary Peters (D-West Bloomfield) has announced his candidacy on the Democrat side and appears to have clear sailing in the Democratic primary.

M M & A BRIEFS

Mental health workgroups are formed. The established Mental Health and Wellness Commission, after months of meetings, has formed five workgroups to continue its work. They are: Education, Employment and Veterans; Housing, Independent Living Support and Long Term Care; Mental and Physical Health Integration and Services Delivery; Public Safety, Beneficiary Rights and Protection; and Societal Impacts, Data and Stigma Reduction and Awareness. Lt. Gov. Brian Calley, who heads the group, said the commission is charged with making recommendations by the end of the year.

Snyder makes transfers. Gov. Rick Snyder has signed an Executive Order that moves the Michigan Land Bank Fast Track Authority (MLB) and State Building Authority (SBA) from the Michigan Strategic Fund (MSF) to the Michigan State Housing Development Authority (MSHDA). The order also transfers the State Building Authority (SBA) from the Department of Technology, Management and Budget (DTMB) to the Department of Treasury.

SOCC recommends judicial pay hike. The State Officers Compensation Commission (SOCC) has recommended a three percent pay raise for justices and judges. However, the recommendation requires legislative approval – however, that may not happen. Sen. Rick Jones (R-Grand Ledge), who chairs the Senate Judiciary Committee, said he doesn't think it is appropriate to give any pay increases at this time, because the Capitol money is still tight. SOCC has not taken any action on salaries for legislators, the Governor or any other state official for which the commission sets salaries.

CALENDAR OF IMPORTANT EVENTS

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| June 3 | Rep. Klint Kesto Dinner Reception
Location: 6 p.m., Prime 29 Steakhouse, West Bloomfield |
| June 14 | Sen. Mike Nofs (R-Battle Creek) 11th Annual Golf Outing
Location: 9 a.m., The Medalist Golf Club, Marshall |
| June 20 | Possible last day of session before House and Senate break for summer recess |