



# This Week in Lansing

MHSA • Muchmore Harrington Smalley & Associates, LLC

Highlights of the Latest Major Legislative, Administrative and Regulatory Activity in the State Capitol

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**SPEAKER FOCUSES ON AUTO NO-FAULT RATE RELIEF** – *House Speaker Tom Leonard* affirmed that changes to the state’s auto insurance laws, with a focus on rate relief for residents who pay the highest premiums in the country, is a top issue he would like to see addressed this fall. *Mr. Leonard* said he has spent much of the summer traveling around the state and the issue of auto insurance rates is continually mentioned. He stated, “The citizens of this state are sick and tired. They are fed up with paying the highest auto insurance rates in the country. This is a big issue that we here in Lansing need to tackle for these citizens.” *House Insurance Committee Chair Lana Theis* (R-Brighton) has stated a cap on medical benefits for those with catastrophic injuries is likely a nonstarter. However, *Mr. Leonard* said there are several other ways to provide rate relief and he is willing have discussions with anyone who might have a plan. He indicated currently half of the citizens in Detroit are driving uninsured and more than a third of citizens throughout the state. “When you’ve got the most recent study showing our state not only pays the highest auto insurance rates in the country, but we are more than 20 percent higher than the second highest state – that is a problem, and we have to deliver rate relief to the citizens of this state and that is what I am focused on.”

**AUTONOMOUS VEHICLE TEST TRACK: SAFETY FIRST** – On Tuesday, members of the *House Transportation and Infrastructure* and *Senate Transportation Committees* gathered at *Mcity* for a tour and to learn about the progress being made on autonomous vehicles. *Mcity* is a test track and research facility on the *North Campus* of the *University of Michigan*. Committee members met earlier the same day at a joint committee meeting where they discussed research and testing done throughout the state.

Another testing track and research facility is currently under development at *Willow Run*, but *Mcity Director Huei Peng* told legislators the 32-acre *Mcity* in *Ann Arbor* is the largest “*connected autonomous vehicle*” (CAV) facility in the state. According to *Mr. Peng*, 70-plus company partners use the track for testing and research, with interest growing each day. The draw, he noted, is the ability to test the CAVs in a controlled, safe environment instead of on a regular roadway. By using the track, companies can test their CAVs and set obstacles on the course instead of determining the car’s response on public roads where people can get hurt.

*Representative Triston Cole* (R-Mancelona) chaired the committee meeting and agreed with *Mr. Peng* on the necessity of a safe testing facility, as all involved are still unsure of how the autonomous vehicles will interact with current vehicles. Commenting on the importance of that issue, *Mr. Cole* noted it will also be one of the companies’, researchers’ and testers’ issues: figuring out the interaction between current vehicles and the autonomous ones.

During the presentation and tour, legislators were told the name CAV came into play as a safety

measure as well, as the vehicles have been found to operate better when sensors within the system also allow for communication between other cars, emergency vehicles, railroad crossings, traffic lights, and school buses. Though it may still be another 10 years or so until most cars on the roads are *CAVs*, legislators acknowledge more infrastructure costs will be incurred as the technology advances. A large part of determining those costs, according to *Mr. Cole*, is maintaining “an open door” policy with research and testing facilities, researchers and the companies themselves so any issues that arise can be addressed as quickly as possible for a better development process.

**STRATEGIC FUND APPROVES MULTIPLE PROJECTS** – The *Michigan Strategic Fund Board* met on Tuesday and discussed several proposed project grants and one expansion request, each boasting job growth and investment as benefits if agreed upon. The project grants receiving approval from the *Board* were:

- \$4.35 million to the *Lear Corporation* via the *Michigan Business Development Program* for their planned \$29.3 million investment in a 160,000 square-foot automobile seat assembly site on the old *Buick City* site in *Flint*; expected to create 435 jobs;
- \$2.5 million to *Penske Logistics* via the *Michigan Business Development Program* for a planned \$98.6 million investment in a 606,000 square-foot storage and distribution center in *Romulus*; expected to create 403 jobs;
- \$2.9 million to *LG Electronics* via the *Michigan Business Development Program* for its planned \$25 million investment in a 250,000 square-foot factory for the production of advanced electric vehicle parts in *Oakland County*; expected to create 292 jobs, 137 in *Hazel Park* and 155 in *Troy* at the company’s *U.S.* headquarters; and
- \$7.83 million in additional monies to *Ford Motor Company* via an amendment to its *State Essential Services Assessment Exemption* agreement with *Livonia* for the company’s planned expansion project of its *Livonia Transmission Plant*; expected to create 800 jobs between now and 2019.

As Board members discussed the above issues, *Governor Rick Snyder* paid a surprise visit, celebrating a recent pledge of \$561 million in investments as announced by the *Michigan Economic Development Corporation (MEDC)*. Telling members the investment is set to create 1,500 new jobs and thanking them for their work, *Mr. Snyder* stated, “The commitment by these global companies to grow and create jobs in Michigan will strengthen our communities by providing more and better jobs for our talented workforce.”

**LARA ANNOUNCES MARIJUANA WORKGROUPS** – The *Licensing Board* of the *Michigan Department of Licensing and Regulatory Affairs (LARA)* discussed the beginning of its regulatory process relating to medical marijuana on Tuesday, announcing the creation of five workgroups to assist in the formation of rules.

*LARA* is set to begin taking licensing applications for medical marijuana facilities in December and is hoping to have emergency rules in place by then pertaining to public safety and other issues. The five stakeholder workgroups were announced as: *Grower, Processor, Safety Compliance Facility, Provisioning Center, and Secure Transporter*. Each is set to gather stakeholder input on the different topics and the overall regulatory process, and are charged with gathering information on such without interfering with the licensing board authority or advisory panel procedures.

The workgroups, according to *LARA*, will add to already existing legislative regulatory standards, including the requirement of a background check for any facility wishing to sell medical marijuana; a seed-to-sale tracking system, the allowance and regulation of marijuana infused products; sentencing guidelines for the illegal sale, manufacturing, etc. of medical marijuana; and the restriction of the use of medical

marijuana in certain locations. The workgroups will work closely with **LARA** and the **Licensing Board** to create suggested regulations for each topic involved in the process.

All interested parties are required to submit an email to [LARA-MedicalMarihuana@michigan.gov](mailto:LARA-MedicalMarihuana@michigan.gov) by 9:00 a.m. on September 5.

## **ELECTIONS**

- **Democrat Andy O'Riley, Mayor Pro-tem of Roosevelt Park**, announced his candidacy for the **91<sup>st</sup> House District**, currently held by term-limited **Representative Holly Hughes** (R-White River Twp)
- **Detroit Democrat Adam Hollier** announced his filing for a campaign committee for the **2<sup>nd</sup> Senate District** race, with the seat currently held by term-limited **Senator Bert Johnson** (D-Highland Park)
- **Republican Marsha Kosmatka**, of West Bloomfield and former **Oakland County** assistant prosecutor, announced she will be running for the **39<sup>th</sup> House District**, currently held by term-limited **Representative Klint Kesto** (R-Commerce Twp)
- **Stan Grot, Republican Shelby Township Clerk**, announced Tuesday his campaign for **Secretary of State**
- Former **Democratic Representative Brian Banks** filed paperwork for his campaign committee for the **2<sup>nd</sup> Senate District** in 2018, currently held by term-limited **Senator Bert Johnson** (D-Highland Park)
- Former **U.S. Department of State** contractor **Mari Manoogian** (D-Birmingham) announced her candidacy on Tuesday for the **40<sup>th</sup> House District**, currently held by term-limited **Representative Michael McCready** (R-Bloomfield Hills)
- **Kara Hope, Democratic Ingham County Commissioner**, announced she will be running for the **67<sup>th</sup> House District**, currently held by term-limited **Representative Tom Cochran** (D-Mason)

## **ODDS & ENDS**

- Assuming the **Senate** remains as **Republican** majority, **Senators Mike Shirkey** (R-Clarklake) and **Jim Stamas** (R-Midland) have formed a leadership team for the 2018 election cycle whereas **Mr. Shirkey** would be **Majority Leader** for the 2019-20 session and **Mr. Stamas** would serve as **Appropriations Committee Chair**.
- According to a Spring 2017 report from the **National Student Clearinghouse Research Center**, the enrollment at Michigan collegiate level institutions declined from 551,917 (spring of 2015) to 509,139 (spring of 2017), with those numbers projected to continually drop in the coming years due to the decrease in the state's **K-12** population.
- Michigan **Democratic** legislators announced their plan for the introduction of legislation that would create a 13-member **Prescription Drug Consumer Protection Board** to focus on curbing prescription drug price increases of more than 10 percent a year or 30 percent in five years.
- The **Michigan Department of State** dismissed a campaign-finance violation filed against **Lieutenant Governor Brian Calley** earlier this summer after concluding there is no evidence **Mr. Calley** has become an official gubernatorial candidate.
- The **Michigan Indigent Defense Commission** is set to discuss research results on hourly rates for defense attorneys within the state, currently the lowest can be \$20 per hour.
- An updated plan has been resubmitted by the **Michigan Department of Education (MDE)** to the **U.S. Department of Education** for the state's compliance with the federal **Every Student Succeeds Act (ESSA)**.
- According to numbers from the **U.S. Bureau of Labor Statistics**, Michigan is tied for 15<sup>th</sup> in the nation with **Minnesota, Kansas** and **Maine** for lowest unemployment rate, with each reporting a seasonally adjusted rate of 3.7 percent.
- Attorney for the **Coalition to Regulate Marijuana Like Alcohol (CRMLA)** **Jeff Hank** stated late

last week the group has collected 80 percent of the signatures needed (252,523 are required) to be approved by the **Board of State Canvassers**, the **Legislature** and then placed on the 2018 ballot.

- **Senator Joe Hune's** (R-Whitmore Lake) and **Representative Jason Sheppard's** (R-Temperance) objections to producing communications regarding the current **Tesla** lawsuit (legislation approved and designed to ensure the direct-to-consumer selling of the company's vehicles through franchised dealers) have been dismissed by **U.S. Magistrate Judge Ellen Carmody**.
- 200 newborns have been surrendered to emergency or medical personnel across Michigan since the "safe surrender law" was enacted in 2001, according to the **Michigan Department of Health and Human Services (DHHS)**.
- **Representative Peter Lucido** (R-Shelby Twp) announced on Monday legislation that would require emergency managers to post a bond of at least \$5 million before taking the position (with the monies to be forfeited if the individual is found to be grossly negligent) and would also exempt them from governmental immunity.
- A **Massachusetts** resident won the \$759 million **Powerball** jackpot on Wednesday, the second-largest **Powerball** jackpot in history.
- If necessary, **House Speaker Tom Leonard** stated he personally would support a vote to override **Governor Rick Snyder's** veto on legislation calling for the increased phasing out of sales tax on used vehicle trade-ins, but would first need to talk to the **Republican** caucus before making a final decision.
- The **Wayne County Prosecutor's Office** announced it will appeal the **Michigan Court of Appeals** ruling issued Tuesday that will allow former **Senator Virgil Smith** to continue his candidacy for the **Detroit City Council**.
- The **Michigan Public Service Commission (MPSC)** approved a renewable energy program for large businesses, with some conditions, on Wednesday that would allow large **Consumers Energy** customers using at least 1 megawatt of electricity annually to assist in developing renewable energy resources by having more of that annual power supplied by a renewable source.
- **Tom Gores**, owner of the **Detroit Pistons**, and **Consumers Energy CEO Patti Poppe** made a \$2 million commitment to assist in the launching of the **Flint Promise Scholarship Program** as it awaits legislative approval.
- According to a recent **Court of Appeals** ruling, a government cannot claim immunity to an allegation of unjust enrichment.

**MHSA NEWS** – Please join **MHSA** as we celebrate the marriage of one of our team members. **Keeli Baker** married **Jeff Cruz** in a private ceremony last week. We wish this special couple good health and happiness as they start this new chapter in their lives.

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