



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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SNYDER SIGNS ENERGY/UBER-LYFT INTO LAW – Following a relatively low-key *Lame Duck* session last week, **Governor Rick Snyder** spent a good portion of this week signing multiple bills into law, including two major packages involving energy reform and *Uber/Lyft* regulations within the state. The heavily debated energy reform package was finally passed last week Thursday and as signed will take effect as of April 20, 2017. The final package was praised by both *Republicans* and *Democrats*, for protecting electric choice as well as expanding Michigan’s energy market. Both utilities and those advocating for electric choice praised the package as well, along with those seeking to increase the amount of renewable resources the state would be required to generate. In a statement on now **Public Acts 341** and **342**, **Mr. Snyder** noted, “This legislation will make it easier for our state to meet its energy needs while protecting our environment and saving Michiganders millions on their energy bills.”

The governor also approved and signed new regulations for ride sharing companies in Michigan, including *Uber* and *Lyft*. **Public Acts 345, 346, 347, 348** and **349**, place taxicabs and limousines under the same regulations, which call for all ride sharing services to conduct criminal background checks on their drivers as well as to obtain driving records for employees and applicants. Transportation network companies (*TNCs*) are also officially recognized under the legislation, and will have the sole responsibility of conducting the background checks, vehicle safety and insurance compliance. The laws are set to take effect as of March 21, 2017.

GM SET TO BUILD/TEST AUTOMATED VEHICLES IN DETROIT – Following **Governor Rick Snyder’s** signing of legislation calling for the allowance of production and testing of autonomous vehicles in the state, **General Motors (GM)** announced last week Thursday it will begin to manufacture and test said vehicles at its **Orion Assembly Plant** early next year. As the first auto manufacturer to begin producing and testing the vehicles, **GM** will build, then test them on public roads in **Metro Detroit**. The auto company has already begun testing autonomous vehicles in **San Francisco, California** and **Scottsdale, Arizona**. **Michigan Economic Development Corporation CEO Steve Arwood** praised **GM’s** leadership in the industry and how it affects the state, saying, “Working together with the automotive industry on finding innovative and timely solutions, Michigan is playing a leading role in the world-wide autonomous vehicle revolution.”

SELF-DISPENSING ALCOHOL MACHINES RULE APPROVED – According to a new administrative rule that went into effect on December 13, self-dispensing alcohol machines are now allowed at individual tables in Michigan restaurants. The machines can dispense beer or wine, but no spirits or mixed spirit drinks, and can dispense no more than 96 ounces in a single order. The rule, first considered by

the *Michigan Liquor Control Commission* when it reopened its rules for revision, also requires the machines to be at a table or booth only and for orders to be placed through a waiter or waitress so confirmation of legal drinking age can be made. The *Michigan Restaurant Association* expressed its support for the rule, noting that restaurants will see more “flexibility” in regards to serving its customers.

MORE CHARGES IN FLINT CASE ANNOUNCED – *Attorney General Bill Schuette* announced criminal charges for the *City of Flint’s* two former emergency managers for their roles in the *Flint Water Crisis* on Tuesday of this week. Those individuals, *Darnell Earley* and *Gerald Ambrose*, are the highest-ranking state officials, as of yet to be charged in the case and were appointed by *Governor Rick Snyder* in 2013 and 2015 respectively. According to *Mr. Schuette*, both officials will face charges of misconduct in office, false pretense, willful neglect of duty and conspiracy to commit false pretense, having been directly involved in the city’s decision to switch to the *Flint River* water from *Detroit*.

Lead investigator for *Mr. Schuette’s Flint Water Investigative Team*, *Todd Flood*, noted that the two former emergency managers are accused of implementing the *Home Rule City Act* in which a city can borrow outside its limit in the case of a “fire, flood or other calamity”, with *Flint* doing so to pay for its portion of the continued construction of the *Detroit* water system (*Karegnondi Water Authority (KWA)*). The emergency manager at the time (*Mr. Earley*) claimed, however, that those funds were needed to clean up a sludge-filled lagoon in the city, the “calamity”. In the bond agreement, it was also noted that unless *Flint* could undertake the *KWA* project, the city was required to switch to the *Flint River* water.

Unable to take on the project and in the interest of saving the city’s finances, the city switched sources and, as alleged in the charging documents, officials (both *Mr. Earley* and *Mr. Ambrose* included) ignored warnings of the city’s water treatment plan being unprepared to deliver clean water. If convicted, the two officials could be sentenced to 20 years in prison and/or a \$35,000 fine or three times the value of the money or property involved (false pretenses charge); 20 years in prison and/or a \$45,000 fine or three times the value of the money or property involved (conspiracy charge); and five years in prison and/or a \$10,000 fine (misconduct in office charge).

The willful neglect of duty charge is a misdemeanor while the 3 aforementioned are felonious charges. The state’s emergency manager law has come under question as the fallout of the crisis unfolds, with those in opposition noting a state appointed emergency manager should not have the current unilateral control of the local government as it could potentially allow for more situations like the *Flint Water Crisis* to occur, and to instead have a locally appointed emergency manager to share control with local government and state officials.

STATE’S \$4B INFRASTRUCTURE COST: LONG-TERM PROJECT – *Governor Rick Snyder* spoke with members of the media on Friday of last week regarding the *21st Century Infrastructure Commission’s* findings in its newest report, saying the proposed \$4B in expenditures is to be carried out over a long period of time, not over only a few years. The bulk of the monies, according to *Mr. Snyder*, will go towards roads, water and sewer services and that multiple sources would be used in funding the infrastructure plan, including public-private partnerships and bonds. One of the governor’s top priorities this session was the issue of public-private partnerships but the *Legislature* did not pass the package, something he plans to bring into focus again during his last term. *Mr. Snyder* noted that he hopes to educate the public as well as incoming legislators on the issue and begin to implement short-term plans such as the creation of the *Michigan Infrastructure Council* and a pilot project on asset management for the state. Commenting on the report and the overall immensity of the infrastructure needs and costs for the state, *Governor Snyder* stated, “People will pick up the report and they’ll get to the \$4 billion number fairly quickly in the process. Before people jump to just saying, ‘Oh my gosh, we can’t do that,’ or ‘How do we do this?’ is to put it into context. You’re talking about a 30-50 year horizon. You need to break it down to more bite-sized chunks

and things people can absorb.”

ODDS & ENDS – The *State of Michigan* and the *City of Flint* must continue to provide and check for properly installed water filters or deliver bottled water to residents effected by the *Flint Water Crisis* after the *6th U.S. Circuit Court of Appeals* denied a stay on the actions on Friday of last week...the *Michigan Court of Appeals* held in two separate cases that school districts have the authority to ban firearms from their premise, even if the individual has a concealed weapon carrier permit...*Representative Laura Cox* (R-Livonia) has announced *Kim Wadaga* will be her senior budget advisor come the 2017 session year as *Ms. Cox* takes her position as *House Appropriations Committee Chair*...according to figures released by the *U.S. Bureau of Labor and Statistics*, Michigan’s unemployment rate is tied for 28th in the country reporting 4.9 percent in November of this year...*House Speaker Kevin Cotter* (R-Mt. Pleasant) announced on Monday of this week he will not be running for a seat in the *State Senate* come 2018...on Monday of this week, Michigan’s 16 electoral college members voted unanimously for *President-elect Donald Trump* and *Vice President-elect Mike Pence* despite protests at the *State Capitol*...*Senate Majority Leader Arlan Meekhof* (R-West Olive) announced *Deputy Chief of Staff Craig Ryan* will take the place of *Robert DeVries* as *Chief of Staff* in 2017...*House Minority Leader-elect Sam Singh* (D-East Lansing) announced this week *Jack Schmitt* will be his *Chief of Staff* in 2017...former *Representative Matt Lori* has been announced as the senior deputy director for the *Policy, Planning and Legislative Services Administration* and *Richard Kline* has been named as senior deputy director for the *Aging and Adult Services Aging* division, both within the *Michigan Department of Health and Human Services (DHHS)*...according to a statement released on Monday of this week, *House Republicans* completed 78 percent of the caucus’s policy goals set for the 2015-2016 legislative session...625 homes in *Flint* that contained lead-tainted service lines have seen line replacement as a result of *Flint Mayor Karen Weaver’s FAST Start Initiative*...the *Senate Fiscal Agency* announced on Tuesday of this week that *General Fund* and *School Aid* revenues combined are above May 2016 consensus revenue estimates by roughly \$302 million...according to figures released by the *U.S. Census Bureau* the state’s population has increased for the fifth straight year, increasing by more than 44,600 people since April 1, 2010 (when the last official census was taken)...*House Minority Leader-elect Sam Singh* (D-East Lansing) announced assistant *House Minority Caucus Leaders* on Tuesday this week as *Representative Vanessa Guerra* (D-Saginaw) and incoming *Representative-elect Darrin Camilleri* (D-Brownstown)...the *Michigan Strategic Fund* approved multiple projects on Tuesday of this week, including a \$7.5 million grant to the online retailer *Amazon* to generate roughly \$450 million in capital investment and create more than 1,800 jobs statewide...*Ford Motor Company* announced plans to redevelop 12 parcels of property in *Detroit* via its wholly-owned subsidiary *Ford Land Development Corp.* and is expecting to create 50 retail jobs...the *Michigan Public Service Commission* approved a contract between *DTE Electric Company* and *Pine River Wind Engineering, LLC*, to build a wind park in *Pine River, Gratiot and Coe Townships* (to be known as the *Pine River Wind Park*) in *Isabella County*...the *Senate Fiscal Agency* announced on Tuesday of this week that the state is estimated to close the 2015-2016 fiscal year with \$589.8 balance in the *General Fund*...the *Michigan Court of Appeals* struck down the orders from *Attorney Bill Schuette* and his *Flint Water Investigative Team* preventing the *Michigan Department of Health and Human Services* from working with the *Genesee County Health Department* on lead and *Legionella* issues resulting from the *Flint Water Crisis*...tax collections for November 2016 were roughly \$12.2 million below what the *Senate Fiscal Agency* predicted in the May consensus revenue estimates, according to the *Agency’s* monthly report released Wednesday of this week.

PLEASE NOTE: The offices of *MHSA* will be closed Friday, December 23 and will reopen for normal business hours on Tuesday, January 3. If you have any questions or concerns, please contact a member of the *MHSA* team. We wish you all a safe holiday season and a Happy New Year!

Also, *Governor Rick Snyder’s State of the State* address will be held on *Tuesday, January 17, 2017*. You

will need credentials to have access to the *Capitol Building* that day. If you plan to be in Lansing to attend the *Leadership* receptions prior to the address, please **RSVP** to **Rhonda Smith** at rsmith@mhsa.com. She will ensure your name is on the list and that your credentials will be ready for pick up at our offices by lunch that same day. Please **RSVP** no later than **January 10th**. Please note that no access will be granted to the *Capitol* without a credential, and no credential will be allowed to leave the building prior to the address.

MHSA NEWS: We are happy to announce the engagement of our full-time staff member Holly Mauk and her fiancé Blair French. Holly has been with **MHSA** since 2007 and handles association management for the firm. They currently live in Williamston.

MHSA • Muchmore Harrington Smalley & Associates, LLC

Patrick Harrington pharrington@mhsa.com | Jon Smalley jsmalley@mhsa.com | Sandra Jones - sjones@mhsa.com
Adrian Cazal acazal@mhsa.com | Bret Marr bmarr@mhsa.com | Evelyn Zois Sweeney esweeney@mhsa.com

124 West Allegan St., Suite. 1900 | Lansing, MI 48933 | Phone: 517-484-8800 | Fax: 517-484-4442 | Email: rsmith@mhsa.com

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