



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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LOCAL PUBLIC SAFETY, ROAD MILLAGES TO BE ON AUGUST BALLOTS – Local governments across the state will be asking voters to approve property tax increases on the upcoming August 2 ballot, with the funds to be used for public safety services and roads. It was found that 892 ballot proposals face voters in all 83 counties, including proposals for townships, villages, community college districts, school districts, cities and counties as a whole. An analysis also noted that of the 892 proposals, 291 are for tax or fee increases, with 96 jurisdictions using those funds for public safety and 40 for road work. *Catherine Mullhaupt*, staff attorney for the *Michigan Townships Association*, noted that a number of the millage renewals are for taxes that would not start until 2017, but local governments want to get ahead on those issues if possible. *Ms. Mullhaupt* also commented on the increased number of proposals and said it is more a matter of timing with the upcoming election and projected increased voter turnout.

According to the analysis, of the 892 proposals, 32 are for library millage increases, 14 are bond requests for schools and 13 are requests for new sinking funds to pay for school infrastructure needs, a smaller amount than past election cycles. Bond requests for schools vary in size for the August ballot, the largest including, *Port Huron Area School District* at \$105.875 million; *Shelby Public Schools* at \$22.765 million; *Clarkston Community Schools* at \$75.98 million and *Bullock Creek School District* at \$15.155 million. Millage renewals specifically for public safety will be seen in 229 requests from local governments across the state. Other renewal requests include road millages in 137 communities, 41 school district 18-mill non-homestead operating millages and library millages in 39 districts.

DETROIT REGIONAL TRANSIT AUTHORITY VOTES NO ON MILLAGE – A 20-year plan to ask voters to support a 1.2 mil tax to help fund a new *Metro Detroit* transportation system and improve the existing one was voted down on Thursday of this week by the *Regional Transit Authority's (RTA)* board of directors. On a 4-5 vote, the board failed to approve the request for the millage to be on next week's August 2 ballot, with seven of the nine votes needed for passage. The 20-year millage would cost about \$120 per homeowner if the home was worth \$200,000. Over 120 people attended the special session of the board, including residents and city, county and state officials. As discussions continued, officials on the board from *Macomb* and *Oakland* counties were united in their opposition to the millage proposal after the board received letters of concern from both *County Executives* as to whether or not counties would gain their share of revenue back if the millage was approved. The letters also expressed concerns regarding the amount of upgrades each county would receive as well as the impact on the operations of the suburban bus system, *SMART*. Advocates of the plan, however, argued the proposal would expand routes for *SMART*, bring bus rapid transit to three major areas, allow for necessary improvements and better coordination to underserved areas and extend services to those areas as well.

Chairman of the *RTA*'s board *Paul Hillegonds* commented on the vote, saying, "This board has gone as far as it can go" and the issue is now up to elected officials to decide upon.

JUVENILE CASES: JUDGES WILL DECIDE LIFE WITHOUT PAROLE – According to a decision made last week Friday by a special conflict panel of the *Court of Appeals*, the sentence of life in prison without parole will be determined by the presiding judge instead of a jury in juvenile cases. The seven-member panel held that judges should only impose the life without parole sentence under rare and uncommon circumstances. An earlier panel on the case of *People v. Perkins* had ruled a jury should make the decision, causing the panel in the case discussed Friday, *People v. Hyatt*, to follow suit. The conflict panel was then called to rule based on both cases which entity should have the power to sentence a juvenile to life without parole, with the final decision 4-3 in favor of the presiding judge. Michigan legislators somewhat addressed the judge versus jury issue when they enacted a statute discussing the process of sentencing juveniles, including the ability of a prosecutor to file a motion to sentence a juvenile to life without parole which then in turn would require a hearing on the motion.

Judge Jane Beckering wrote the majority decision, and emphasized the panel's opinion on the rare use of the sentence saying, "Youth matters when it comes to sentencing and our courts, at sentencing and on appeal, must carefully take this into account when going about the exceedingly difficult task of determining whether a juvenile is irreparably corrupt – meaning incapable of rehabilitation for the remainder of his or her life – in order to avoid an unconstitutional sentence." Though the panel was set to decide whether the jury or judge have the power to sentence the juvenile, *Ms. Beckering* noted in her concurring opinion that the larger issue at hand was if sentencing any juvenile to life without parole would be a violation of the *Constitution*. As the *U.S. Supreme Court* has ruled each juvenile case must be handled on an individual basis, *Ms. Beckering* noted that doing so provides difficulties when it comes to the *Michigan Constitution* and upholding each juvenile's constitutional rights.

PRESQUE ISLE RATEPAYERS TO RECEIVE REFUNDS – *Presque Isle Power Plant* ratepayers will receive at least \$17 million, plus interest, in refunds as ordered by the judge overseeing the case examining the costs to keep the plant in *Marquette*, Michigan. The refunds will come from the plant owner, the *Wisconsin Energy Corporation*, who, according to the *Michigan Agency for Energy (MAE)*, overcharged customers for the cost of operating the plant. The plant generates much of the *Upper Peninsula's* electricity and also some for *Wisconsin*, but was threatened to be shut down after losing one of its largest customers causing the two states to argue who was responsible for paying for the plant and its costs. Though the decision for repayment has to go to the *Federal Energy Regulatory Commission (FERC)*, *MAE* executive director *Valerie Brader* said the judge's decision was a step in the right direction.

Commenting on the news, *Ms. Brader* said the decision was a win for Michigan, stating, "We are pleased the administrative law judge in this case is recommending what would be a substantial win for ratepayers." *Ms. Brader* also criticized the *Midwest Independent System Operator (MISO)*, which oversees regional electric usage, saying, "MISO blindly accepted numbers without reviewing their reasonableness, resulting in the state and other interested parties having to challenge the expenses through costly proceedings at FERC. Michigan strongly supports proposed reforms that will let the people footing the bill to put those costs to the smell test before anyone signs on the bottom line." Until a deal was negotiated in 2015, *Upper Peninsula* ratepayers took care of the costs of running the plant for *MISO's* purposes of ensuring electric reliability on the grid as a whole.

PSC ANNOUNCES ENERGY OUTLOOK UPDATES – According to the *Public Service Commission's (PSC)* regional supply outlook (*case U-17992*), Michigan's five-year-outlook continues to show the tightening of capacity supplies in the state and the *Midwest* overall, while the outlook for the summer of 2017 has recently shown slight improvement. Also considering the need to rely on imports from

out-of-state in order to meet minimum reliability requirements, the findings this year show a capacity shortfall of 270 megawatts for 2017 instead of last year's which reported a shortfall of 520 megawatts for next year. Projected improvements in the *Lower Peninsula's Zone 7* were reported as well, despite the closing of a unit at the *DTE Electric River Rouge* plant in November 2015 due to failure of a turbine. Adequate supplies are also expected to be available to areas served by *Indiana Michigan Power Company* in the southwest region of the state and *Upper Peninsula*. Though the outlook report shows positive projections, *PSC Chair Sally Talberg* said the state's issues are not over. Commenting on the findings and what is still to come, *Ms. Talberg* noted the possible challenges remaining, saying, "Given the overall electric energy outlook in Michigan and the broader region, long lead times for planning and developing new supply options, and the reliability risks inherent with tightening power supplies, the MPSC will increase its focus in the next couple of years on solutions to ensure customers can be served in a reliable, cost-effective manner over the long term."

COMPACT PAYMENTS: STATE, TRIBE REACH PARTIAL SETTLEMENT – Under a partial resolution to the *Gun Lake Tribe's* arguments that the opening of some online and electronic gaming terminals violated compact provisions, the tribe will provide college funds for area high school students and some of the state's economic development funding will resume. After halting its payments to the state last year under the assertion that the *Bureau of Lottery's* move violates its compact on gaming expansion in the state, the *Tribe* commended the state for working with the group to resolve the issue, even if only partially. *Tribal Chair Leah Sprague-Fodor* expressed that sentiment in a statement saying, "This agreement is a win for all stakeholders due to the substantial benefits provided to tribal citizens, area high school students planning to attend college, and the public at large through economic development programs. This creative solution to the revenue sharing impasse recognizes the legitimate position of both respective governments, and we applaud the State for negotiating with the Tribe to reach this agreement." As part of the settlement, \$21.74 million in escrow from the *Tribe* will be split, with half going to the *Michigan Economic Development Corporation (MEDC)*; 15 percent going to *GLIMI* which is a new group formed by the *Tribe* to oversee non-gaming economic development; and the remaining 35 percent staying with the *Tribe* which plans to place it in the *D.K. Sprague Education Endowment Fund*. *CEO* of the *MEDC*, *Steve Arwood*, also commented on the agreement and applauded the *Tribe's* work as well, saying, "We appreciate the willingness of the Tribe to reach a partial solution on this issue. Dedicating a funding source for statewide economic development efforts benefits many communities that will see businesses and jobs grow because of these efforts."

FLINT WATER CRISIS DISCUSSIONS AT DNC – *State Senator Jim Ananich* (D-Flint), *U.S. Representative Dan Kildee* (D-Flint) and *Flint Mayor Karen Weaver* brought the *Flint Water Crisis* to attendees of the *Democratic National Convention* in *Philadelphia* this week Wednesday. *Mr. Kildee*, showing a video of *Democratic Presidential Nominee Hillary Clinton's* visit to the city, spoke first to attendees of his goal to improve the lives of the city's residents. Commenting on the importance of his constituents and the aftermath of the crisis, *Mr. Kildee* noted what viewers saw in the video and *Ms. Clinton* saw in person, saying, "Flint is a story of a whole community that's been left behind." *Ms. Weaver* echoed that sentiment and detailed the unfolding of the crisis while under *Republican* leadership, saying, "Republican state government used a Michigan law to take over the city. The water is still not safe to drink or cook with from the tap. Our infrastructure is broken, leaking and rusting away. Our local community struggles to rebound. Today, the help we need from our federal government...still sits blocked in the Republican-controlled U.S. Congress. I am a voice for Flint and we need your help." *Ms. Weaver* then went on to note *Ms. Clinton's* visit to the city and her promise to make it better, stating, "Do you know who else has also heard the call from Flint? Hillary Clinton. She came to Flint when the water crisis hit...and said 'I will do everything I can to help you get back up and to help you get your strength and resilience flowing again.'" *Mr. Ananich*, though he did not speak at the convention, held conversations with attendees about the issue including *Congress' role*. Commenting on his attendance of his first convention and bringing the issue with him, *Mr. Ananich* felt positive, saying, "People are interested. They want to know about it and

understand.”

CAMPAIGN NOTES – During the latest fundraising period covering mid-April through mid-July, it was reported that the *House Republican Campaign Committee* raised \$536,145 compared to the \$519,078 raised by the *Michigan House Democratic Fund*. As for the expenditures for both groups during that period, *House Democrats* and *House Republicans* spent \$194,162 and \$71,765 respectively. Having more money on-hand than they did in the 2014 cycle, *House Democrats* have \$1.6 million while *House Republicans* reported having \$2.2 million on hand for this election cycle.

As of last Friday’s deadline, 50 of the 409 candidates running for the *Michigan House* had not submitted their campaign finance disclosure reports to the *Secretary of State*. Of the 50, eight were incumbents and 16 were from *Detroit* delegates. Incumbents not shown on the website as having filed included *Representatives Rosemary Robinson* (D-Detroit), *Fred Durhal III* (D-Detroit), *LaTanya Garrett* (D-Detroit), *Leslie Love* (D-Detroit), *Bill LaVoy* (D-Monroe), *Lana Theis* (R-Brighton), *Phil Phelps* (D-Flushing) and *John Kivela* (D-Marquette).

Michigan’s *Primary* is next Tuesday, August 2, 2016. As reported above, there are local ballot questions in all 83 counties as well as primaries for *State Representative* and local offices. *MHSA* will provide an election recap of the results of the *Primary* and highlight potential *General* races for the fall. Please make sure to vote next Tuesday.

ODDS & ENDS – Figures released Friday of last week showed Michigan had the third lowest unemployment rate among the *Great Lakes States*, reporting a 4.6 percent seasonally adjusted rate in June...officials with the *Department of Health and Human Services* reported last week that the first case of *West Nile Virus* in a human has been confirmed in an elderly resident of *Livingston County*...\$1.5 billion is to be invested by *Fiat Chrysler* to retool its *Assembly Plant* in *Sterling Heights* after receiving approval from the *Michigan Strategic Fund* for an alternative exemption from the *State Essential Services Assessment*...*C3 Venture Flint*, a newly formed organization that recycles plastics into auto parts, announced it will have its headquarters based in *Flint* and projects the creation of roughly 380 new jobs due to the development...according to *Michigan Strategic Fund Board Member Mark Morante*, the gap in funding for the pipe connector for the *Karegnondi Water Authority* might have to come from state funds, somewhere between \$1 and \$3 million he estimated...announced Tuesday of this week by *Flint* city officials, former *City of Flint* water customers with credits issued to their closed accounts can now request a refund...*Governor Rick Snyder* announced Wednesday the creation of a new *Pre K-12 Literacy Commission* that is charged with reviewing research and programs nationally to make recommendations for state policy changes for local schools in Michigan...Michigan paid \$41.8 million for settlements and judgments in *FY 2014-15*, according to a report released this week by the *Senate Fiscal Agency*, which is \$26.68 million less than those paid in *FY 2013-14*...according to a poll taken on behalf of the *Michigan Association of Health Plans (MAHP)*, *Mitchell Research & Communications* reported 57 percent of Michigan voters now support *Governor Rick Snyder’s* decision to expand Michigan’s *Medicaid Program*, also known as *Healthy Michigan*...five metal posts were installed in front of the *Capitol* sidewalk at the intersection of *Capitol* and *Michigan Avenues* last week to deter anyone from driving a vehicle with explosives onto the *Capitol* lawn or into the building itself...current *Deputy Director* of *MAHP Dominick Pallone*, will replace current *Executive Director* of 12 years *Rick Murdock* after *Mr. Murdock* steps down at the end of 2016...effective August 1, *Tiffany Stone* will be taking over as policy director for *MAHP*...according to a fact sheet released by the *Michigan League for Public Policy*, Michigan’s top earning residents make 22 times more than the bottom 99 percent of wage earners, putting the state at 11th in the nation for worst income equality...according to a report compiled and released by the *Senate Fiscal Agency*, approximately \$100 million of the \$810 million the state will receive from in *Temporary Assistance for Needy Families (TANF)* will fund state tuition and scholarships from the *Michigan Department of Treasury*.

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