



This Week in Lansing

MHSA • Muchmore Harrington Smalley & Associates, LLC

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

Volume XXVIII – Issue 47

November 18, 2016

MICHIGAN/U.S. ECONOMY TO STABILIZE/GROW FORECAST STATES – Two different studies were released earlier this week, one predicting the state’s economy will remain stable on its current course for the next three years, and another the economy of the *U.S.* will continue to grow steadily for the next two years. The first, released on Tuesday by **Robert Dye**, chief economist at **Comerica Bank**, noted that jobs will continue to be added while the state’s population will continue to stagnate and home values will increase slightly. According to **Mr. Dye’s** analysis, Michigan has “entered a post-recovery phase” meaning though the state has seemingly recovered from the **Great Recession**, population and employment trends are not back to pre-recession levels. **Mr. Dye** noted that broader trends in auto sales will also keep the state on course, while income growth, home values, unemployment and job growth are expected to remain at or below national averages through the year 2019.

As Michigan continues to recover and rebuild, the nation as a whole is predicted to see steady economic growth of approximately 2 percent over the next two years. According to economists speaking at a **Research Seminar in Quantitative Economics (RSQE)** at the **University of Michigan** on Thursday morning of this week, a total of 3.7 million jobs should be added to the national economy, causing the unemployment rate to fall an average of 4.6 percent in 2018. The **RSQE** conference helps the state establish revenue predictions for the state budget process. The group also noted that national vehicle sales will remain above 17 million over the next two years, something they noted as particularly important for the state of Michigan. **RSQE** officials noted that the housing market will improve as well, with construction of new homes, including single-family units and multi-unit housing, will rise to 1.25 million units in 2017 and 1.33 million in 2018. Sales of existing single-family homes are also projected to increase in the next two years, with sales growing to 4.85 million in 2017 and 5 million in 2018.

ENERGY DISCUSSIONS CONTINUE OVER BREAK – Though **House** and **Senate** members do not return until after the Thanksgiving holiday, discussions regarding the recently passed energy package remain ongoing among **House** members as the issue will be one of the most important to tackle in this year’s **Lame Duck** session. Passed by the **Senate** before Thanksgiving break, **Senate Bill 437** and **Senate Bill 438** call for multiple changes to the state’s current energy plan, including the controversial topics of electric choice and renewable energy. Electric choice, and how to manage those who move to it, is a key issue for free market thinking **House** members. They are also focusing on how the state should manage the **Granolm-era Renewable Portfolio Standards** requirements.

Members have also noted that the surprise election of **President-Elect Donald Trump** may also play a role in the consideration of the legislation, as portions of the legislation were partially tailored to comply with **President Obama’s** energy policy, which **Mr. Trump** has said he will alter. Utilities around the state are acknowledging the possible changes to come at the federal level, and state legislators are aware some

changes may need to be made before final passage of the package as well. Both **Republican** and **Democratic** members have noted that over the break discussions will continue in their respective caucuses and each will determine what, if any, alterations they will put forth come December, as well as assessing the amount of support for said changes.

CALLEY SIGNS MENTAL HEALTH TREATMENT LEGISLATION – On Wednesday of this week, **Lieutenant Governor Brian Calley** signed **House Bill 4674** into law, which calls for the expansion of options for assisted outpatient mental health treatment. The bill updates the state’s current version of **Kevin’s Law**, which intended to provide access to other treatment modalities outside of hospitalization by allowing an individual’s impaired judgement to be a factor in their treatment rather than just their behavior. **House Bill 4674** also calls for the allowance of family members of those with mental health illnesses to petition the state for treatment before that individual is in crisis. The bill, a recommendation of the **Mental Health Diversion Council** (chaired by **Mr. Calley**), will help those with mental illness to “restore their capacity for independence”, according to **Mr. Calley**.

CAPITOL COMMISSION HOPING LEGISLATION PASSES IN LAME DUCK – The potential for a \$50 million mechanical and electrical (**M&E**) systems renovation within the **Capitol** building will be among many issues discussed during the upcoming **Lame Duck** session, with members of the **Capitol Commission** hoping to see this legislation approved and passed quickly, so projects can begin. **House Bill 6047**, as sponsored by **Representative John Kivela** (D-Marquette) calls for the allowance of the **Commission** to use its annual appropriation of \$3 million for bonding, but is not allowed to use the **Capitol** building or its property for collateral. The second bill, **House Bill 6048** as sponsored by **Representative Ed McBroom** (R-Vulcan), clarifies the boundaries of the **Michigan Capitol Historic Site** to ensure the term “building” includes facilities within the site and its surrounding grounds. According to **Capitol Commissioner John Truscott**, one of the possible solutions to the current **M&E** code violations would be to build a structure to house the electrical and HVAC system outside and underground of the already close-quartered **Capitol** building. With no confirmed numbers as of yet, **Mr. Truscott** noted the **Commission** would hope to complete the projects using under \$50 million. Both bills were taken up by the **House Oversight and Ethics Committee** before Thanksgiving break, with **Mr. McBroom** and **Mr. Kivela** agreeing not to move forward until more specifications have been addressed and confirmed.

CODIFICATION OF CITIZENS UNITED IMMINENT – The much debated issue of campaign finance reform will again be in front of legislators this year, with a **Senate** passed bill dealing with the controversial topic already in the **House** waiting for action in **Lame Duck**. **Senate Bill 638**, sponsored by **Senator Dave Robertson** (R-Grand Blanc), calls for general amendments to the Michigan Campaign Finance Act, with some arguing whether or not the state is in compliance with **Citizens United** and, if not, if the bill addresses those concerns via the codification of **Citizens United**. Discussions have continued to swirl following the **U.S. Supreme Court’s** decision in **Citizens United v Federal Election Commission**, which held that “political spending is a form of protected speech under the First Amendment, and the government may not keep corporations or unions from spending money to support or denounce individual candidates in elections” as written in the opinion. The **Senate** passed the legislation last December with most in town viewing **House** action as ripe for **Lame Duck**.

WATER SHUT-OFFS IN DETROIT RULED LEGAL – In a decision released on Monday of this week, the **U.S. Court of Appeals for the Sixth Circuit** ruled the city of **Detroit** is in compliance with state and federal laws in shutting off water of residents not paying their water bills. The decision was made in response to a class-action lawsuit brought against the city filed by **Detroit** water customers who were unable to pay their bills and subsequently had their municipal water shut off. The federal appellate court, along with the original bankruptcy and district courts, ruled there is no constitutional right to affordable water, as those customers also claimed the shut offs were a violation of their constitutional rights to due process and

equal protection. Though none of the aforementioned customers are currently without water, the panel of judges noted the matter was worth discussing and reviewing as the shut offs are continuing throughout **Detroit**.

ODDS & ENDS – As announced by **Governor Rick Snyder** on Wednesday of last week, **Roger Curtis** has been named as the director of the **Michigan Department of Talent and Economic Development** effective November 28, 2016...the **Michigan Department of Natural Resources** announced it will be allowing boaters to reserve a specific slip for summer of 2017 as a part of a pilot program at five of its harbors across the state...**Matthew Schneider** will take the place of **Carol Isaacs** as the state's **Chief Deputy Attorney General** following **Ms. Isaacs'** retirement on December 31 of this year...the **26th Annual Michigan Harvest Gathering Giving Campaign** raised \$308,000 and 403,000 pounds of food this year, as announced by **Attorney General Bill Schuette**, allowing the **Food Bank of Michigan** to provide 2.2 million meals from those donations...**Tery L. Quimby** of the **Michigan Liquor Control Commission** is set to serve as **3rd Vice President** on the **National Conference of State Liquor Administrators Executive Committee** after being unanimously elected by members of the **Committee**...during the 2017-2018 legislative term, **Representative Laura Cox** (R-Livonia) will serve as the first female **House Appropriations Committee Chair**...**Representative Lee Chatfield** (R-Levering) has been tapped by **House Speaker-Elect Tom Leonard** (R-DeWitt) to chair the **Committee on Committees**, which assigns members their policy committees for the upcoming session...the **Michigan Department of Health and Human Services (DHHS)** has been approved by the federal **Centers for Medicare and Medicaid Services** to use roughly \$28 million toward lead abatement throughout the state...effective December 19 of this year, **Rosie Jones** will take over as press secretary for **Senator Jim Ananich** (D-Flint) as announced by the senator on Monday of this week...**Lieutenant Governor Brian Calley** announced this week Monday the rollout of the **Smart 911** enhanced emergency services program, allowing dispatchers and emergency call takers more options and abilities when dealing with and responding to 911 calls...on Tuesday of this week, **Flint Mayor Karen Weaver** announced the extension of the **State of Emergency** declaration in **Flint** after the current extension expired on Monday...the **State Board of Education** released a statement on Tuesday of this week expressing its opposition to **Senate Bill 102** which calls for changes to be made to the **Michigan Public School Employees Retirement System (MPERS)** and move all new teachers to a defined contribution plan...**Richard Heins** has been named by **Governor Rick Snyder** to represent the **Michigan State Police** on the **Commission on Law Enforcement Standards** with his term set to expire on November 1, 2017...the **Michigan State Board of Education** is considering the election of two co-presidents following the most recent election that left the **Board** split 4 **Democrat** and 4 **Republican** members...according to a press release issued by the state on Thursday of this week, ratepayers in the **Upper Peninsula** will not have to pay **system support resources (SSR)** payments after November 26 with the federal government ending the practice for those electricity customers...bids for a contract to help manage the state's child welfare computer system (**Michigan Statewide Automated Child Welfare Information System-MiSACWIS**) are due November 27 with the award anticipated to be made in January of 2017 and start date of March 22, 2017...according to the latest seasonally adjusted unemployment rate released by the **Michigan Department of Technology, Management and Budget (DTMB)**, Michigan's unemployment rate was recorded as 4.7 percent in October of this year...**SF Motors, Incorporated**, an electric vehicle company and subsidiary of **Sokon Industry Group**, has confirmed it will build a new research and development center in **Washtenaw County** following **Governor Rick Snyder's** trade mission to **China**, with 170 jobs expected to be created from the project.

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