



# 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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## **MUNICIPAL RETIREE BENEFITS: ISSUE BEING PREPPED FOR WINTER** –

**Republican** members of the **House** received a summary sheet last week outlining an upcoming proposal to address the state’s unfunded municipal retiree health care benefits, with those spearheading the issue noting they are hopeful for discussion yet this session year. One of the legislators leading the way, **Representative Jim Lower** (R-Cedar Lake), told members of the media he hoped that by getting the summary and fact sheet out to members, they could begin to offer advice and input on the legislation as it is being crafted so as to address concerns any may have.

Under the proposal outlined in the document, a five-phase plan would be created and would implement certain requirements for local governments regarding retiree health care and its funding. If a local government did not meet those requirements and present its own corrective plan, another corrective action plan would be put into place by a board mostly overseen by state officials. Also noted in the summary, defined benefit plans for new employees would be prohibited after July 1, 2018 and criteria would be outlined and implemented to determine if a municipal health care system is underfunded.

Currently, according to **Representative Thomas Albert** (R-Belding) (who is partnering with **Mr. Lower** on the issue), roughly 30 percent of other post-employment benefits (**OPEB**) plans are funded, while 73 percent of city, township and county pension plans are funded. **Mr. Lower** noted he has been working closely with groups affected by the issue, especially police and fire organizations, and he holds little to no concern of their disapproval of the outlined proposal sent to his fellow legislators. However, police and fire groups are strongly opposed to doing anything beyond a proposal based on the **Responsible Retirement Reform for Local Government Task Force** report released earlier this year. The **Task Force** voted unanimously to support the report.

The **Task Force** also unanimously agreed on the five-phase system, though it officially made no recommendations. Members also agreed on more transparency and reporting, as well as some funding requirements. Police and fire are saying that the **Task Force** plan should be implemented first to see if it works before another proposal is pursued. December could bring thousands of first responders to the **Capitol**, if they feel their benefits are being threatened.

**ENBRIDGE ISSUES CONTINUE** – State officials called for a “full accounting of the status of the Line 5 Pipeline” on Monday following the release of new information from the pipeline’s owner that more gaps in coating have been discovered. According to **Enbridge Energy** officials, following inspections of 48 of the 128 anchor locations on its **Line 5 Pipeline** (currently running under the **Straits of Mackinac**), a “majority of those 48 areas have gaps” in protective coating.

Commenting on the findings, **Governor Rick Snyder** noted that the future of the **Great Lakes** could be effected, saying, “Enbridge’s announcement (today) about Line 5 is deeply concerning. While it does not indicate any imminent danger for the Great Lakes, this causes significant concern for the long term.” The state called for the inspections following a previous report from **Enbridge** that noted some in the company were aware of eight coating gaps but never reported them, something the state says warrants more transparency from the company.

**Enbridge** noted that of the previously identified eight spots, six have been repaired with a seventh planned, weather permitting. The embattled company released a statement with the findings, saying, “We recognize the public’s interest in the findings we are sharing, and we are committed to providing timely and transparent updates to the State and the public. It is important to note that none of these findings represent a risk to the safe operation of Line 5 at the Straits of Mackinac.” The final, full accounting report is due to the **Pipeline Safety Advisory Board** at its meeting on December 11.

**STUDY: SERVICES AT RISK FOR 32 CITIES** – Inadequate funding for public services in recent years has resulted in 32 cities across the state to be deemed “service insolvent” or on the verge of becoming so, according to a study released on Wednesday. The report, released following an analysis conducted by **Michigan State University Extension’s Center for Local Government Finance and Policy**, outlined the four main criteria used in the study and is based on data from 2015.

Under the four criteria used, a city would be considered “service insolvent” if: a city’s general fund spending is 75 percent or less than the average city in its population group; a city has a fund balance equal to less than 2 months’ expenditures; a city has a per capita taxable value of less than \$20,000; and the city levies 20 or more mills.

Many cities on the list are currently under state financial oversight, but the report states that those operating on their own could still continue to manage funds, especially if and when another recession hits. Noting changes are necessary, the report states, “Without changes to state policy, many of our cities will continue to struggle financially and could face bankruptcy in the next economic downturn.” The report noted that population size and spending played an important role in the issue as well, with those having populations of 5,000-200,000 all seeing decreases in spending from 2008-2015. The full report can be viewed [here](#).

## **ELECTIONS**

- **Representative Chris Afendoulis** (R-Grand Rapids Twp) formally announced his bid for the **29<sup>th</sup> Senate District** on Monday, with the seat currently held by term-limited **Senator Dave Hildenbrand** (R-Lowell)
- **Representative Roger Victory** (R-Georgetown Twp) announced his campaign for the **30<sup>th</sup> Senate District**, with the seat currently held by term-limited **Senate Majority Leader Arlan Meekhof** (R-West Olive)
- **Republican Chuck Cascarilla** announced he will seek election to the **71<sup>st</sup> House District** in 2018, with the seat currently held by **Representative Tom Barrett** (R-Pottersville) who is running for **Senate**
- **Democratic Gubernatorial Candidate Shri Thanedar** is facing a federal lawsuit claiming he made “fraudulent and misleading” claims aimed at inflating the value of a company he sold in 2016, from which he earned \$20 million
- **Representative Jeremy Moss** (D-Southfield) announced on Tuesday his campaign for **Senate District 11**, with the seat currently held by term-limited **Senator Vincent Gregory** (D-Southfield)
- Former **Representative Brian Banks** announced on Monday his bid for **Senate District 2**, with the

seat currently held by term-limited **Senator Bert Johnson** (D-Highland Park)

- **U.S. Representative Fred Upton** announced today he will seek re-election to the **U.S. House 6<sup>th</sup> District** seat instead of running for **U.S. Senate**
- **Representative Pamela Hornberger** (R-Chesterfield) announced on Thursday she is seeking the position of **Speaker Pro-Tempore** for the **House** during the 2018-19 legislative term
- **Representative Sara Cambensy** took the oath of office on Thursday, certifying her win in the **109<sup>th</sup> House District** special election. **Representative-elect Tenisha Yancey** will take the oath of office today, certifying her win in the **1<sup>st</sup> House District**. With the two set to take their positions in the **House**, the **Democratic Caucus** is now back up to 47 members

## ODDS & ENDS

- **Lieutenant Governor Brian Calley** announced late last week he is stepping away from being the face of the part-time legislature proposal; **State Board of Education** member **Tom McMillin** will now be **Chair** of the **Clean Michigan Campaign**
- Despite controversial blog posts that cost him the nomination to a position with the **U.S. Department of Education**, **Representative Tim Kelly** (R-Saginaw Twp) will continue serving as **Chair** of the **House Education Committee** and **House School Aid and Education Appropriations Subcommittee**, according to **House Speaker Tom Leonard** (R-DeWitt Twp)
- **Governor Rick Snyder** announced an action team on Monday tasked with assisting in the development of ways to control a possible growing contaminant from perfluoroalkyl and polyfluoroalkyl (**PFAS**) in Michigan
- **Johnathon Tukel** has been named to the **Michigan Court of Appeals**, succeeding **Judge Henry Saad** who announced last spring he would resign by the end of November this year
- **Governor Rick Snyder** signed **Senate Bills 435-438** on Monday, with the legislation calling for the requirement of the state's problem-solving courts (drug, veterans and mental health) to be certified by the **State Court Administrative Office** beginning January 1, 2018. Procedures for the certification process must also be published under the bills
- **Governor Rick Snyder** signed **Senate Bill 360** into law recently, calling for the allowance of a pharmacist to dispense additional quantities of a prescription drug (upon consultation with said patient)
- **Senate Bill 372** was signed into law on Monday, with the bill eliminating the requirement of retailers to attach an identification tag to a keg containing the purchasers contact information
- **Senate Bill 378** was signed into law and is set to take effect on February 11, 2018, with the bill clarifying when a **Home for the Aged** license is required
- As introduced recently by **Representatives Triston Cole** (R-Mancelona) and **Jeff Noble** (R-Plymouth) respectively, **House Bills 5075** and **5076** eliminate the practice of **Do Not Resuscitate** orders without the patient's consent and the ability for physicians or hospitals to take legal guardianship over a patient without notifying the patient or the family
- **Michigan Board of Education** members were notified a transparency dashboard to allow for statistical information to be posted (in compliance with the **Federal Every Student Succeeds Act**) is on schedule and set to be launched on January 9, 2018 during the **Board's** most recent meeting
- The **Coalition to Regulate Marijuana Like Alcohol** plans to submit its 360,000 signatures to be placed on the 2018 ballot on Monday, November 20, though only 252,523 signatures are required
- Two of the three **Detroit** casinos saw revenue increases from October 2016 to October 2017, while the other saw a decrease: **MGM** saw a 2.2 percent increase, **MotorCity** saw a 3.2 percent increase, **Greektown** saw a 1.2 percent decrease
- A \$7.1 million legislative transfer of funds was approved last week by legislators to combat the recent outbreak of **Hepatitis A** in **Southeast Michigan**

- According to the *Michigan Department of Technology, Management and Budget (DTMB)*, the state's unemployment rate rose 0.2 percentage points to 4.5 percent in October, making it the third consecutive month of increases in the rate
- According to the *House Fiscal Agency's* October revenue report, year-to-date revenues for the *General Fund* and *School Aid Fund* for *Fiscal Year 2016-17* have come in above *May Consensus Revenue* estimates, reporting excesses of \$58.1 million and \$136.5 million respectively
- Four *Democratic* (former *Senate Minority Leader Gretchen Whitmer, Abdul El-Sayed, Shri Thanedar, and Bill Cobbs*) and one *Republican (Evan Space) Gubernatorial Candidate(s)* stated their support for the legalization of the recreational use of marijuana at a forum hosted by *MILegalize* on Tuesday
- According to the *State Bureau of Elections*, the state's review of the prevailing wage repeal petition (submitted by *Protecting Michigan Taxpayers*) signatures should be complete by early January
- According to data released by the *Michigan Campaign Finance Network*, the state's largest political action committees (*PACs*) have raised a combined \$18.5 million this year through October 20, a 10 percent increase from the last full fundraising cycle in 2014 (*Legislature* and executive offices)
- The *Joint Committee on Administrative Rules (JCAR)* is set to consider the *Michigan Liquor Control Commission's (MLCC)* half-mile elimination proposal, with a limit of 15 session days set for *JCAR* to decide on the proposed change
- The *State of Michigan* announced on Thursday it will forgive more than \$20 million in loans taken by the *City of Flint* from the state's *Drinking Water Revolving Fund* following approval by the *Michigan Department of Environmental Quality (DEQ)*
- *Representative Jim Runestad* (R-White Lake) announced Thursday he will hold at least one hearing in his *House Judiciary Committee* on *Senate Bills 584-586* which call for the allowance of concealed carry weapon permit holders to carry in current gun free zones after receiving additional training

**PLEASE NOTE:** *MHSA* will be closed at 4:00 p.m. today for *Silver Bells in the City*. Please contact a member of the *MHSA* team with any questions or concerns. Thank you!

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