



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 48

November 23, 2016

AUTONOMOUS VEHICLE TEST SITE OFFICIALLY OPENS – On Monday of this week *Governor Rick Snyder* was joined by *U.S. Representative Debbie Dingell* and *U.S. Senators Gary Peters* and *Debbie Stabenow* in celebrating the official groundbreaking of the **American Center for Mobility at Willow Run in Ypsilanti Township**, meaning testing, education and product development for autonomous vehicles will begin soon. According to *Governor Snyder's* press release, the facility, previously the site of production of *B-24* bombers during *World War II*, is set to be a global center designed for the development, production and study of connected and automated vehicles, while also allowing for the conduction of research and planning of “future mobility”. The new site will ensure worldwide competitiveness for the *U.S.* as well, Mr. Snyder noted, while also “accelerating the development of voluntary standards to improve transportation systems.” Private industry companies, governmental bodies, standards bodies and academia groups will all have access to the center for use and will serve as a technology hub, which would allow said entities to rent or lease office space, garages and other amenities.

The new center also offers opportunities for additional economic investment for companies interested in building new facilities in close proximity to the testing center as well as to those looking to expand any existing buildings on site. *President* and *CEO* of the center, *John Maddox*, released a statement on Monday as well, noting his enthusiasm for the center and his respect for its history, saying “While there are many well-known transportation and manufacturing innovations at this site, the first use of this property was as a teaching orchard developed by Henry Ford. We’re planting an apple tree here today to honor the heritage and continue the tradition of innovation, education and stewardship.” *Mr. Maddox* also noted construction of the facility will begin in spring 2017 with the first phase of the center planned to be running by December 2017. State legislators were in attendance as well, including *Senators Mike Kowall* (R-White Lake), *Dale Zorn* (R-Ida), and *Rebecca Warren* (D-Ann Arbor), and *Representative Adam Zemke* (D-Ann Arbor). *Lieutenant Governor Brian Calley*, *Michigan Economic Development Corporation CEO Steve Arwood* and *Michigan Department of Transportation Director Kirk Steudle* also attended the groundbreaking ceremony.

As opening ceremonies concluded Monday, the site was then approved as having the designation of a *Renaissance Zone* by the *Michigan Strategic Fund (MSF)* on Tuesday of this week. The designation was officially provided for the *American Center for Mobility and Willow Run Arsenal of Democracy Landholdings Limited Partnership* for 15 years in *Ypsilanti*. According to the *MSF*, roughly \$1.85 million annually will be abated in property taxes due to the designation, which will be offset, in part, by a *Payment in Lieu of Taxes* agreement between the companies and *Ypsilanti Township*. The *MSF* had previously approved \$17 million in investment from its *Investment Fund* as well, to finalize the acquisition of the land at *Willow Run*.

STATE ENERGY PACKAGE COULD BE IMPACTED BY TRUMP'S PLAN – *President-Elect Donald Trump* released a video announcement of his plans for his first 100 days in office, including giving the executive order to “cancel job-killing restrictions on the production of American energy, including shale energy and clean coal...” on *Day 1* in the *White House*. Though more detail on energy reformation was not given, *Mr. Trump's* announcement was enough to give pause to those considering the state's energy reform package currently sitting in the *House*, awaiting discussion during *Lame Duck*. The current reform legislation was designed mostly with *President Barack Obama's* strict energy plan and regulations in mind, and companies such as *DTE* and *Consumers Energy* have backed the proposed changes. The plan currently in place as set by *President Obama* has incumbent power companies closing outdated coal-fired power plants with the need to build updated versions rising. The cost of building those new, clean-burning plants, under the restrictions, is to be covered by both the incumbents and customers of electric-choice companies, though some suppliers say the new fees would stifle their business. The state's discussion on electric choice and renewable energy has been ongoing for years, with most hoping to see the reforms passed this *Lame Duck* session, though *Mr. Trump's* plan must now be taken into account before passage occurs in the coming weeks.

KEY HOUSE COMMITTEES TO SEE NEW LEADERSHIP IN 2017 – As a result of term limits and the most recent election, 23 *House* committees will have no chair, and others will be forced to shuffle members as current chairs take new positions. The *House Insurance Committee* will need a new chair following the appointment of current chair *Representative Tom Leonard III* (R-DeWitt Twp.) to *Speaker of the House*. *Representative Laura Cox* (R-Livonia) is set to become chair of the *House Appropriations Committee*, the first woman to do so, as current chair *Representative Al Pscholka* (R-Stevensville) has been term-limited out, leaving the *General Government Subcommittee* in need of a chair. Perhaps one of the most discussed committee assignments is that of *House Energy Policy*, with term-limited *Representative Aric Nesbitt* (R-Lawton) not able to return, with some speculating *Representative Gary Glenn* (R-Midland) may take the position. Another highly coveted post is that of the chair of *House Health Policy Committee* as *Representative Mike Callton* (R-Nashville) will not be returning to the *Legislature* due to term limits.

Other committees to be left without a chair include: *House Transportation*, *House Tax Policy*, *House Regulatory Reform*, *House Education*, *House Elections*, *House Natural Resources*, *House Families, Children and Seniors*, and *House Tourism and Outdoor Recreation*. All committees listed, among others, will see new assignments confirmed in the new year.

MUNICIPAL RETIREMENT REFORMS: TO BE PASSED IN 2016? – *Representative Earl Poleski* (R-Jackson) continues to urge his colleagues to solve at least one of the major issues regarding reforms to the municipal employee retirement benefits plan (if introduced in *Lame Duck*) noting that it is this current *Legislature's* responsibility to do so this term. *Mr. Poleski*, acknowledging the small amount of time left (only 9 session days this year) for legislators to consider such reforms, said he did not expect anything too comprehensive or wide-ranging at this point, but rather legislation that would focus on retiree health care and reforms to local governments' health care funding mechanisms.

One of the driving factors in completing the reforms is the fact that current legislators in the *House* are familiar with the issue and, as a result, more public comment will be allowed as the legislation would go through the committee process. Another key aspect of getting the legislation worked through before the end of the year, according to *Mr. Poleski*, is to address the issue of unfunded liabilities within the state, something he says the unreformed health care system causes. However, *House Minority Floor Leader Sam Singh* (D-East Lansing) noted that his caucus will discuss the issue, but will not agree to take up or compromise on the issue of municipal retirement within only nine days' time, saying, “This is lame duck. This is not when to take a big look at 30-something bills on a very short period of time. If you want to have

a thoughtful conversation, we will have a thoughtful conversation.”

PUBLIC HEALTH ADVISORY COMMISSION MEMBERS ANNOUNCED – On Friday of last week *Governor Rick Snyder* released 18 of the 24 names of members appointed to the *Public Health Advisory Commission*, which has been tasked with the conduction and completion of an assessment of the current public health service delivery system within the state, at both local and state levels. *Dr. Eden Wells*, Michigan’s *Chief Medical Executive*, has been appointed as chair of the commission and will be a voting member, while *Mona Hanna-Attisha*, prominent pediatrician and well-known *Flint Water Crisis* correspondent, will serve as representative to physicians. Other members appointed to represent multiple groups include:

- *Cynthia Aaron*; toxicologists
- *Eric Adelman*; general public
- *Denise Chrysler*; schools of public health from higher education institutions
- *Abdul El-Sayed*; local public health officials
- *William Fales*; medical schools in Michigan
- *Kathleen Forzley*; public health officials
- *Mark Fowler*; local directors of *Public Works*
- *Debra Furr-Holden*; epidemiologists
- *Robert Gouin*; environmental health experts
- *Chris Kolb*; nonprofit health/environmental organizations
- *Dianne Malburg*; licensed pharmacists
- *Bill Manns*; hospital administration experienced members
- *Susie Meshigaud*; general public
- *Kristen Schweighoefer*; food safety experts
- *Ann Sheehan*; registered nurses
- *Michelle Styme*; general public
- *Melinda Wilkins*; veterinarians

Non-voting, ex-officio members will include:

- *Jamie Clover Adams*; Director, *Department of Agriculture and Rural Development*
- *Heidi Grether*; Director, *Department of Environmental Quality*
- *Nick Lyon*; Director, *Department of Health and Human Services*
- *Shelly Edgerton*; Director, *Department of Licensing and Regulatory Affairs*
- *Kriste Kibbey Etue*; Director, *Department of State Police*

The commission has also been tasked with reviewing the organization of public health functions within and across the executive departments of state; the division of responsibilities between local and state public health authorities; and the regulatory structure as set forth by the state’s *Public Health Code*. All members will server terms expiring at the pleasure of the governor.

TAX INCENTIVE LEGISLATION COULD SEE ACTION – With the start of this year’s *Lame Duck* session beginning next week, agendas are being discussed by both chambers and the possibility of a large tax incentive package to see action in the *Senate* seems promising. *Senate Bills 1061, 1062, 1063, 1064* and *1065* call for the allowance of large-scale project developers to capture sales, use and state income tax revenue from within the district of the development as attributable to the new development. The version senators would vote on, however, is an *S-3 substitute* that adds a mandatory third-party review of a fiscal analysis and overall cap of \$50 million per year via the *Tax Increment Financing (TIF)* program. The original legislation called for the *Michigan Strategic Fund (MSF)* to consider the project for the *TIF* before a development could be considered as a net gain for the state and therefore eligible for the *TIF*. The

addition of the \$50 million cap would apply annually to all projects and could be used for demolition, restoration, construction, renovation, alteration or improvement of the site or buildings on the site or property. The legislation also requires a small charge for an application fee but allows the *TIF* dollars to be used for administrative costs, something the *Departments of Treasury* and *Talent and Economic Development* will track geographically and per each individually proposed project.

LAND MANAGEMENT CAP LEGISLATION PUSHED TO BOTTOM OF PILE – *Senate Bills 39* and *40*, as co-sponsored by *Senators Darwin Booher* (R-Ewart) and *Tom Casperson* (R-Escanaba) and passed by the *Senate* in late October of this year, may not see action from the *House* as the last few days of session begin. The bills, currently sitting in the *House Natural Resources Committee*, came about as a result of concern that the *Department of Natural Resources (DNR)* did not work closely enough with the *Legislature* to develop its land management plans, despite a 2012 land management law provision requiring it to do so. The bills call for the control of the process to return, in part, to local counties, townships, etc. Land management plans, as written, affect the ability to trade or buy public land and permit timber activity as well as hunting rights. *DNR* officials have voiced some hesitation regarding the bills, especially in dealing with the language surrounding *Payments In Lieu of Taxes (PILT)* adjustments. The *Michigan United Conservation Clubs (MUCC)* and environmental groups throughout the state have stated opposition to the bills, while groups like the *Michigan Townships Association* and the *Michigan Association of Counties* have voiced their support of the legislation.

TEXAS JUDGE ISSUES NATIONWIDE STOPPAGE OF OVERTIME RULE – *Federal Judge Amos L. Mazzant III* issued a nationwide injunction on Tuesday of this week, ordering the stoppage of a regulation put forth by *President Barack Obama's* administration which expanded the number of workers that would be eligible for time-and-a-half overtime pay (and was set to take effect as of December 1). *Mr. Mazzant's* order ruled that the administration overstepped its bounds by raising the salary threshold below which workers automatically qualified for the overtime pay from \$23,660 to \$47,476. The lawsuit was brought forth and led by the *National Retail Federation*, with attorneys general from 21 states joining in, including Michigan *Attorney General Bill Schuette*.

Though the injunction is only temporary, many insiders believe he will strike down the regulation all together once he can issue a ruling on the merits. The *U.S. Department of Labor* commented on the injunction noting that it “strongly disagreed” and raised the possible option of appealing the decision while *President Obama* remains in office.

ODDS & ENDS – The *Michigan Department of Transportation (MDOT)* announced *Kimberly Avery* will be the new director of the *Bureau of Field Services of MDOT*, bringing over 25 years of experience within *MDOT* with her to the position...the future of *Healthy Michigan*, the program that has provided over 600,000 Michigan residents with health insurance, will most likely not end, but will see changes under *President-Elect Donald Trump*, according to *Healthy Michigan* officials...*Scott Hagerstrom* announced last week Friday that he is running for *Michigan Republican Party* chair for 2017, against current *Chair Ronna Romney McDaniel*...state *Senator-Elect Ian Conyers* will be sworn in this week, replacing former *Senator Virgil Smith* (D-Detroit) (who is currently serving jail time for an incident last year) in the *4th Senate District*...the *Talent Investment Agency* announced on Monday of this week that the *Skilled Trades Training Fund* will provide \$17.1 million to roughly 15,000 workers and job-seekers for training in fiscal year 2017, with the expectation of creating 3,873 jobs and retaining 11,022 positions with 481 employers taking part in the program...*Protecting Michigan Taxpayers* settled its lawsuit with *Silver Bullet Group* on Monday of this week after the firm failed to get the signatures required to have their effort appear on this November's ballot, with the figures of the settlement unavailable due to confidentiality agreements...as a result of *Flint Mayor Karen Weaver's FAST Start Initiative*, 460 homes in *Flint* have received new copper pipes...as of the 2017 *NBA* season, the *Detroit Pistons* will no longer play at the *Palace of Auburn Hills*,

instead the team will play at the *Little Ceasars Arena* to be constructed as a part of the *Ilitch* family's 50 block sports and entertainment redevelopment project in *Detroit*...the *House* announced on Tuesday of this week a settlement has been reached between it and former *House* staffers *Keith Allard* and *Ben Graham* (\$169,985 will be paid to each) as a result of the whistleblower lawsuit brought on by the staffers in regards to the for *Representatives Todd Courser* and *Cindy Gamrat* scandal...the 15th case of *Legionnaire's Disease* has been reported in *Genesee County* according to officials from the *Department of Health and Human Services*...*Representative Patrick Green* (D-Warren) was sworn into office of the *28th House District* on Tuesday of this week, replacing former *Representative Derek Miller* who resigned earlier this year to take the position of *Macomb County Treasurer*...on Tuesday of this week *Governor Rick Snyder*, along with *Veteran Affairs Agency Director James Redford* commemorated 76 of the top companies and non-profit organizations in the state that have taken steps to hire *U.S. Military Veterans*.

PLEASE NOTE – The offices of *MHSA* will be closed beginning at noon on Wednesday, November 23 and will reopen for normal business hours on Monday, November 28. If you have any questions or concerns, please contact a member of the *MHSA* team. We wish you and yours a *Happy Thanksgiving!*

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

http://maro.org/wp-admin/edit.php?post_type=portfolio

This message and any attachments are solely for the use of the intended recipient (s) and may contain information that is privileged, proprietary and/or confidential. If you are not the intended recipient, you are hereby notified that any review, retransmission, dissemination, distribution, copying, conversion to hard copy or other use of this communication is strictly prohibited. If you are not the intended recipient and have received this message in error, please notify by return email and delete this message from your system.