

April 2017

SENATOR BRANDENBURG SAYS INCOME TAX ROLLBACK NOT COMING SOON

It doesn't appear that the thus far ill-fated GOP state income tax rollback plan is going to get new life anytime soon.

Although the House may make another attempt to pass a rollback, Sen. Jack Brandenburg (R-Harrison Twp.), a key player in the upper chamber in predicting any income tax elimination said a move probably would not happen until the fall.

The biggest issue that remains is how to fill a \$9 billion hole in the budget that scrapping the income tax would leave.

Senator Brandenburg said an update on his tax cut plan is still in the formative stage.

STATE TREASURER URGING A DISCUSSION ON STATE'S PROPERTY TAXES

Calling the state's property taxes a "mess," State Treasurer Nick Khouri said a discussion should start about how to better administer the tax.

Speaking on a panel organized by the Michigan Townships Association, Mr. Khouri said property taxes, estimated at 85 percent of locals' revenues, are too much of a dependency on that source of revenue.

Mr. Khouri said revenue sharing is "swamped" by property tax revenue amounts for locals and administering the tax is not consistent across the state because of "crazy exemptions."

He didn't offer any specifics on how to move forward but said the property tax is something that needs additional attention.

LARA WANTS CHANGES TO THE MEDICAL MARIJUANA LAW

As the Department of Licensing and Regulatory Affairs (LARA) moves toward accepting applicants for medical marijuana growers, processors, and other newly allowed licenses in December under the state's medical marijuana law, LARA has asked the legislature for some clarifying follow-up legislation.

One suggestion is to write specific language in the law that would address background checks conducted by the Michigan State Police and the FBI on potential applicants.

Also, LARA wants the process for municipalities to provide certain documentation to be streamlined by having locals provide a form or affidavit to the state on what their stance is regarding the facilities in question.

The goal is to eliminate any confusion about how many parties are interested versus what the municipality will allow.

HIGH-POWERED BATTLE LEGAL BATTLE LOOMS

A battle appears to be looming over whether a \$2.5 million state appropriation to private schools is constitutional.

The money was included in the most recent School Aid budget as a reimbursement to private schools for state-mandated expenses.

The ACLU has filed a lawsuit and is asking the Court of Claims to declare the law unconstitutional on its face because it did not receive approval from two-thirds of both chambers of the Legislature, as allegedly required by the Michigan Constitution.

The Supreme Court has denied a request for an advisory opinion on the issue.

Now the groups that requested the advisory opinion, including the Governor's office, want to intervene in the suit along with several conservative legislators.

So far, the state and plaintiffs have not responded to the motion to intervene, and the motion has not yet been granted.

GOVERNOR SNYDER WANTS MAPPING OF STATE'S INFRASTRUCTURE

A regional pilot program that would launch the mapping of Michigan's infrastructure assets has been ordered by Governor Rick Snyder. The state's West and Southeast regions have been selected to participate in the pilot outlined in Executive Directive 2017-1.

The mapping would include roads, bridges, sewer lines, electric lines and storm water pipes in a digital system that would show them in 3D.

During two news conferences Governor Snyder put forth a grand vision of how the plan would work but offered few specifics such as the cost and who would have access to the sensitive information once it was in the system. However, Governor Snyder said that in the long run it is expected to save taxpayers money on unnecessary repairs to streets and maintenance that can prevent disasters.

The pilot, that will cover 55 percent of the state's urban, suburban and rural population, was recommended by Snyder's 21st Century Infrastructure Commission.

HIGH SCHOOL GRAD REQUIREMENTS CLEAR THE HOUSE

If signed into law, legislation (HBs 4315 through 4318) passed by the House would give options to students interested in skilled trade jobs, computer coding and science.

Proponents say the four-bill package would add 21st Century Skills to the Michigan Merit Curriculum but opponents are expressing concern about state lawmakers amending the state's high school graduation requirements.

SENATE PASSES 'GOOD JOBS' LEGISLATION

Businesses that expand or add a new location would be allowed to capture 50 or 100 percent of their new employees' tax withholdings for up to 10 years if the job comes with a high enough salary under legislation (SBs 242, 243 and 244) that passed the Senate.

Specifically, the bills would:

--Require that all businesses receiving the incentive agree to have their names and the value of and duration of the incentive publicly disclosed; and,

--Place a cap of 15 projects per year and could limit to no more than \$250 million in total incentives outstanding at any one time.

CRIMINAL JUSTICE REFORM BILLS ARE SIGNED INTO LAW

That massive criminal justice reform package that advocates claims is intended to keep criminals from re-offending has been signed into law by Governor Rick Snyder.

The new laws require: that by 2018, the Department of Corrections (DOC) will adopt a new program that will have harsher penalties for violating the terms of parole; recidivism will be uniformly defined, and require the DOC to report the number of parole-eligible inmates who have not been released.

Two bills in the 20-bill package were vetoed by Governor Snyder – one requiring better data collection in the criminal justice system, the other requiring the state to create a program under which prisoners might be housed in county jails.

NO DECISION ON PAY HIKES FOR GOVERNOR, LAWMAKERS AND JUDGES...YET

The State Officers Compensation Commission (SOCC) will analyze a large amount of data relative to the state's economy, budget outlook, and the pay of state officials compared to that of their counterparts in comparable states before deciding if and how much of a pay hike the governor, state lawmakers and judges should receive.

The commission, which convenes every two years, held its first meeting and will meet again on May 19.

Elected state officials have not received a pay increase since 2002. And in 2010, everybody except the justices took a 10 percent pay cut.

JUSTICE YOUNG TO RETIRE

Supreme Court Justice Robert Young, Jr. is retiring from the Michigan Supreme Court on April 30 – marking 22 years on the bench, of which 18 was on the Supreme Court.

He is returning to the law firm of Dickinson Wright.

Young's announcement comes three months after Justice Stephen Markman took over as chief justice and comes in the midst of the Supreme Court's term in which Justice Young participated in oral arguments.

Justice Young's resignation comes with 20 months before his term expires and paves the way for Governor Rick Snyder to make an appointment.