

February 2018

COMPROMISE REACHED ON CUTTING TAXES, ELIMINATING DRIVER FEES

The House of Representatives and Senate reached a compromise with Governor Rick Snyder that will give Michiganders a tax break and speed-up elimination of the costly driver responsibility fees.

Eventually the current \$4,000 personal tax exemption will increase to \$4,900 per person by 2021. Governor Snyder had proposed an increase in the exception to \$4,500 over three years. The House went with \$4,800 and the Senate wanted \$5,000. Both the House and Senate had included income tax credits of \$100 each for senior citizens and child care costs. Those disappeared in the compromise. The legislation is SB 748 and SB 750.

Without the legislation, the personal exemption would have been eliminated because of the Trump administration's federal tax package.

The driver responsibility fees totaling \$637 million will be forgiven for some 350,000 drivers beginning October 1, 2018. As a result, people will be allowed to get their driver's license back without having to pay the \$125 reinstatement fee. The legislation is HB 5040, HB 5041, HB 5043, HB 5044, HB 5046, HB 5079, SB 613 and SB 625.

The measures swiftly passed the Legislature, and the Governor is expected to sign them into law.

SPEAKER LEONARD NOW WANTS TO ACCELERATE ROAD FUNDING

House Speaker Tom Leonard (R-DeWitt) wants to accelerate Governor Rick Snyder's FY 2019 road funding proposal into this year's budget.

Both Governor Snyder and Senate Majority Leader Arlan Meekhof (R-West Olive) have said they are open to the idea.

MSU/NASSAR PROBLEM SPARKS LEGISLATION

Members of the Progressive Women's Caucus (PWC) will be introducing legislation in the coming weeks or month that will reflect its principles – prevention, protection and accountability – to address the problem of sexual assault on college campuses.

The caucus is working to make sure the bills have bipartisan and bicameral support before they are introduced.

Bills have already been introduced that would require coaches, physical therapists, athletic trainers and volunteers in K-12 schools and colleges to report any incidents of child abuse or neglect to law enforcement authorities and prohibit a person in authority from persuading someone to not report such incidents.

Several bills have also been introduced to abolish the election of the university governing boards at MSU, UM, and WSU but don't indicate how the board members would be replaced.

Another bill would allow the board members to be elected by the voters but would impose two four-year term limits on the board members. Currently, there is no limit on the number of terms.

REPEAL OF NO-FAULT IS INTRODUCED

As the reforming of no-fault auto insurance continues to linger in the Legislature, some have now moved to repeal it in total.

Six Republican House members have introduced a seven-bill package of legislation (HB 5517 - HB 5523) that would return the state to a “full-tort system” for auto insurance coverage.

Drivers would be required to have insurance under the proposal, but the bills would eliminate the mandate to buy unlimited medical coverage. Accident victims would have the ability to sue at-fault drivers for economic damages and non-economic damages such as pain and suffering.

The measures would also include a legacy fee to continue to fund the Michigan Catastrophic Claims Association (MCCA) until it is no longer needed, but the system would be closed to new entrants.

PRISON FOOD SERVICE PRIVATIZATION SOURS

After employing a private prison food vendor for five years the Department of Corrections (DOC) will not be renewing its contract when it expires July 31.

There have been continued challenges with staffing vacancies, performance compliance, food shortages, and spoiled food.

In presenting his FY 2019 budget request, Governor Snyder publicly recommended the state ditch the privatized food service saying it’s an area where the state has not been successful. The Governor would not call the project a failure, but learned from its experience of employing two prison food contractors over five years.

The DOC will return to state workers to provide the food service by this summer.

Meanwhile, Senate DOC Appropriations Subcommittee Chair, Senator John Proos (R-St. Joseph) isn’t on board with the DOC’s transition plan back to state workers, saying there may be a better way.

Senator Proos said he is not willing to go back to the previous system without understanding why it is that the Governor wants to do so. Senator Proos was the chief advocate in hiring outside food vendors.

KELLY READY TO ACT ON A-F GRADE SYSTEM

Representative Tim Kelly (R-Saginaw), chair of the House Education Reform Committee, says he is ready to call a committee vote on his A-F grading system bill (HB 5526). He expects there will be amendments offered.

The measure would require the Michigan Department of Education (MDE) to set up an A-F letter grading system for all K-12 schools – both traditional and charter – in the state.

TEACHER RETENTION, RECRUITMENT BILLS INTRODUCED BY DEMS

Democrats in the Senate have introduced a 22-bill package of legislation they say is designed to prepare the best, attract the brightest and retain the finest Michigan educators.

Called the “21st century overhaul of the State’s K-12 schools,” the measures would:

--Establish an “Underrepresented Teacher Recruitment Program.

--Create an “Early Childhood Educators Act”.

--Provide stipends for student teachers serving at economically disadvantaged schools.

--Allow for up to 10 years of student loan debt forgiveness for teachers who are in their first three years of teaching.

--Provide a one-time bonus between \$3,000 and \$5,000 for newly hired teachers.

--Award an annual bonus of \$1,800 to math, science and special education teachers.

The legislation is contained in SB 25, SB 724, SB 725, and SB 764 - SB 782.

CHARTERS TO GET A PIECE OF THE REGIONAL TAX PIE

Governor Rick Snyder has signed legislation (SB 574) that will give charter schools a chunk of taxes generated by future “regional enhancement” property taxes- money that previously had gone to traditional local public school districts.

AUTO TRADE-INS VETO IS OVERRIDDEN

In the State’s first gubernatorial override in 16 years, the House and Senate pushed into law an accelerated sales tax phase-out on used car trade-ins that Governor Rick Snyder vetoed in July of last year.

The Senate vote was unanimous. The House voted 85-23.

The legislation (SB 94 and SB 95) moves the scheduled phase out from 2039 to 2029 at a cost estimated by the House Fiscal Agency (HFA) to be \$300 million spread out over numerous years.

In his veto message, Snyder had called the move “not fiscally prudent.”