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HOUSE DEMS PROPOSE 40 PERCENT CUT ON AUTO INSURANCE PREMIUMS

After House and Senate Republicans recently passed separate legislation to reform the state's no-fault auto insurance and Governor Gretchen Whitmer threatened, without changes, to veto both bills, House Democrats rolled out their own plan that would mandate an across-the-board cut of at least 40 percent in total premiums paid by Michigan drivers.

According to the Democrat's plan, unlimited catastrophic medical coverage would be kept for all drivers and seniors would be allowed to use Medicaid and other lifetime retirement health care as an alternative to personal injury protection (PIP) coverage that is now mandated for all.

The plan, not yet introduced in bill form, would also ban the use of discriminatory and non-driving factors in setting premiums, guarantee drivers a discount when they coordinate their auto insurance coverage with their health care, create a consumer protection fraud authority, and increase transparency at the Michigan Catastrophic Claims Authority (MCCA).

However, the Democrat's plan does not include a fee schedule designed to reduce the cost of medical procedures following auto accidents.

The Senate legislation (SB 1) which passed 24-14, would phase out the 100 percent catastrophic claims system, give drivers choices on PIP or to not purchase PIP coverage at all, require insurance companies to provide for a range of PIP coverage options, and establish a fee schedule for injuries resulting from auto accidents. The bill was sent to the House.

On a 61-49 vote, the House passed House Bill 4397 that would guarantee rate rollbacks, choice in personal injury coverage and a fee schedule for medical providers. The measure will also give the Department of Insurance and Financial Services (DIFS) the power to prevent non-driving factors from being used to set rates. The bill was sent to the Senate.

Other auto insurance related action:

--The Michigan Court of Appeals has ruled an auto insurer can sell a policy without PIP, but drivers still need to purchase coverage to comply with the state's no-fault law.

--Governor Whitmer has opened the door to insurers offering different levels of PIP coverage, but draws the line on zero coverage options.

--House and Senate Republicans and Governor Whitmer are having discussions to see if they can reach an agreement on the controversial issue.

ATTORNEY GENERAL NESSEL WEIGHS IN ON AUTO INSURANCE ISSUE

Not to be left on the sidelines, Attorney General Dana Nessel issued a statement saying the House and Senate-passed bills would disrupt fraud investigations and prosecutions by transferring that responsibility to the Michigan State Police (MSP) which doesn't have prosecutors or any prosecutorial authority.

GOP LAWMAKERS TO SUPREME COURT: HALT GERRYMANDERING ORDER

Attorneys for Michigan Republican lawmakers have filed an emergency application with the U.S. Supreme Court to suspend the judgment of a federal court panel on April 25 ordering the state legislature to redraw legislative and congressional districts in Michigan by August 1. Under the ruling, if that date is missed, the court will draw the new maps. The application was addressed to Justice Sonia Sotomayor who oversees cases from the circuit of federal courts that include Michigan.

The three judge panel ordered the state legislature to redraw at least 34 districts for the 2020 election. It also requires special state Senate elections to be held in 2020 instead of 2022 – elections that are normally held every four years to coincide with election for governor.

GOP lawmakers, who intervened in the initial lawsuit brought by the Michigan League of Women Voters, said the entire proceeding should be halted until the U.S. Supreme Court rules on redistricting cases from North Carolina and Maryland.

RTL BEGINS CITIZENS INITIATIVE PROCESS

In an effort to bypass Governor Whitmer's promise to veto legislation to ban dilation and evacuation abortions, Right to Life of Michigan has filed paperwork with the Department of Secretary of State to launch a petition drive.

Right to Life will need to gather 340,047 valid signatures to place the petition on the ballot.

The move came just one day after the House and Senate passed legislation along party lines that would ban the procedure primarily used in the second trimester.

SENATE PANEL OKs SOLAR PANEL BILLS

No longer will homeowners and business owners who install solar panels on their roofs see an immediate property tax bump on their bi-annual bill under legislation (SB 47 and SB 48) that cleared the Senate Finance Committee last week.

The bills became necessary after the Michigan Tax Commission in 2013 told local assessors they needed to factor the addition of new rooftop solar panels to the assessment of a property.

Local assessors are now going back to reassess the value of properties with solar panels.

A House committee took up similar bills last month.

GOVERNOR WHITMER SIGNS CIVIL ASSET FORFEITURE INTO LAW

Now and then there is a flash of bipartisanship under the Capitol dome. Such was the case last week when Governor Gretchen Whitmer signed into law bipartisan legislation, SB 2, HB 4001, and HB 4002, forcing law enforcement to return confiscated goods to suspected drug dealers and others who were never convicted of a crime.

Starting January 1, 2020, police will not be able to seize an individual's property in cases involving controlled substances unless he or she has been convicted of a crime—thus limiting police to engage in civil asset forfeiture.

TREASURY NOT BETTING ON ONLINE GAMBLING PACKAGE

Fearing that online betting would negatively impact the state's i-Lottery, thus costing the State School Aid Fund (SAF) revenue, the Department of Treasury is balking at lending support to the eight bill package of legislation pending in the House.

The bills, HB 4307 – 4312, HB 4323, and HB 4173, would allow for in-state internet gambling, remote horse race betting, fantasy sports regulation, and loosen the regulations on charitable gaming.

Also included in the legislation is creation of a unit within the Michigan Gaming Control Board to regulate i-gaming with safety features and strict oversight, including age verification and geo-location software to assure the bets are made inside the state.

Representative Brandt Iden (R-Oshtemo Twp.), chair of the House Ways and Means Committee, has not scheduled a vote on the legislation saying he wants to work with the administration to craft a product Governor Whitmer will be happy with.

UNEMPLOYMENT INSURANCE AGENCY (UIA) TO HAVE NEW DIRECTOR

Steve Gray, an attorney who headed the University of Michigan's clinic to assist those wrongfully accused of unemployment insurance fraud, has been tapped by Governor Whitmer to head the UIA.

He served as a member of the bi-partisan legislative work group responsible for the legislation aimed at cleaning up the agency in the wake of the false fraud fiasco.

Mr. Gray takes over the position on June 3.

RICE IS THE NEW SUPERINTENDENT OF PUBLIC INSTRUCTION

On a close 5-3 vote, the State Board of Education selected Kalamazoo Superintendent Mike Rice as the state's next superintendent of public instruction. He edged out Wayne County Regional Educational Services Agencies (RESA) Superintendent Randy Liepa.

Mr. Rice, who is expected to start by July 1, will succeed interim state superintendent Sheila Alles, who took over for Brian Whiston who died last year. He is expected to receive a three-year rolling contract at \$216,000 a year.