Legislative Update

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2018 Lame Duck Recap

• Ballot Questions and Petition Proposals
  • Minimum Wage (PA 368’18) & Paid Sick Leave (PA 369’18)
  • Recreational Marijuana, Redistricting, & Voting Enhancements

• Water Fee / Tipping Fee Proposals – Renew Michigan
  • Wayfair / Online Sales Tax Collections

• Supplemental Budget - $1.2B
League Lame Duck Efforts

• Pension / OPEB Bonding Extension & Expansion – PA 575’18
• Personal Property Tax Changes & Fire Protection Grants – PA 616’18
• Fireworks – PA 634-636’18
• “Emily” FOIA – PA 523’18
• Assessing Reform – PA 659’1
• Rural Jobs & Capital Investment Program – PA 423’18
League Lame Duck Efforts, Part II

- Blocked Short-Term Rental Zoning Preemption
- Blocked Vegetation Ordinance Preemption
- Blocked Utility Distribution Equipment PPT Exemption
- Blocked Sportsman Club Property Tax Exemption
- Pet Shop Zoning Preemption Vetoed
- Billboard Expansion Vetoed
100th Legislative Session

• New Legislators, Leadership, Committees and Chairs
• New 2-Part House Committee Structure
• New Administration & Department Directors
• State of the State – Roads, Water/Infrastructure, Education
• State Budget Presentation
• New Department – DEGLE
Early Legislative Priorities - 2019

• Civil Asset Forfeiture
• FOIA / Transparency for Legislature & Executive
• No-Fault Insurance Reform
• Pension Tax Repeal – HB 4006
• Raise the Age
State Budget

• Overall Budget Proposed at $60B – including roads proposal
  • Tax proposals – EITC, pension, pass-through business entities

• Constitutional Revenue Sharing – Sales Tax Growth – $27.5M
• CVTRS / Statutory Revenue Sharing – Increased 3% ($7.7M)
  • $5M Community Opportunities for Renewal grant program

• Drinking water protection & innovation investments - $120M
  • $37.5M for lead & copper rule
  • $30M PFAS abatement/clean-up
  • $40M DWRF loan forgiveness
State Budget – Road Funding

• Governor Proposes Bold Plan to Fix Michigan’s Roads
• Three Key Tenets of the Proposal
  1. Sustainable Long Term Solution
     • Return State Roads to 90% Good and Fair Condition
     • Targeted Investment
  2. Replace Diversion from the General Fund with Constitutionally Protected Revenues for Roads
     • Increases the Gas Tax by 45 Cents
  3. Provide Tax Offset to Mitigate the Impact for Low Income Families
     • Doubles Earned Income Tax Credit
MICHIGAN RANKS IN THE BOTTOM 5 IN INFRASTRUCTURE INVESTMENT
Michigan Gas Tax Rate: Actual vs. Inflation-Adjusted
1951-2019

If the gas tax rate had kept up with the rate of inflation, an additional $31 billion (in 2019 $) would have been raised over the last 40 years.

1951 rate adjusted for inflation (2019): 44.4
State Trunkline Actual and Projected Pavement Conditions
with Fixing Michigan Roads Plan Revenues
2017 - 2029

Goal

2029: 91%

Fixing Michigan Roads Plan
Correcting Course to a Sustainable Condition Goal

Current: 78%

Current Course to Further System Deterioration

Percent of Network in Good or Fair Condition


Historical Without New Revenues Additional $1.5B Annually
Road Funding

• Raises the Gas tax 45 Cents by October 2021
  • Phased-In Over 12 Months in Three 15-cent Increments
  • Increase Gas and Diesel Taxes from 26.3 cents to 71.3 cents
    • Index to Inflation
• Generates $2.5 billion in new Fuel Tax Revenue
• $2.137 Billion in New Road Funding
• New Funding Formula
  • Focuses Resources on the Most Highly-Traveled and Economically Important Roads
Road Funding

• The Bottom Line
  • There Are No Easy Solutions
  • The Problem is Big
  • The Solution Required is Equally as Big
  • Significant **New Revenue** is Needed
  • Inaction No Longer an Option
  • Bold Action Is Required
MML Priority Focus - 2019

- Dark Stores Reforms – HBs 4025 & 4047, SBs 26 & 39
- Veteran Property Tax Exemption – HB 4176
- Reinstate State Historic Tax Credit – SB 54 & HB 4100
- Clean-Up PA 202’17 Pension/OPEB Reporting
- Stormwater Utilities & Basement Back-Up Liability Protections
- Online Public Notice Reforms
- Exempting telecom equipment from PPT – SB 163 and HB 4268
- Short-term rental zoning preemption – HB 4046
- Sanctuary City Penalties – HB 4083
Municipal Finance Reform – Save MI City

- SaveMICity Partnership with C.S. Mott Foundation
- Statewide Education and Communications Initiative
- Connecting Place, Talent, & Business
- Panel Discussion at Mackinac Policy Conference – May 29, 2019
Federal Issues

• Executive Budget Proposal
  • Community Development Block Grants - Eliminated
  • Great Lakes Restoration Initiative – Cut by 90%
  • $75M for Soo Locks

• Infrastructure Initiatives
  • HR 1497 – Clean Water Revolving Fund
  • Restoration of Advance Refunding for Municipal Bonds
  • Broadband
MML State & Federal Affairs

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