



This Week in Lansing

MHSA • Muchmore Harrington Smalley & Associates, LLC

Highlights of the Latest Major Legislative, Administrative and Regulatory Activity in the State Capitol

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COURT RULES THAT 2015 LAW ONLY TRIGGERS INCOME TAX DECREASE FOR 1 YEAR

– This week the *Court of Appeals* unanimously ruled that a 2015 road funding law that included a trigger to cut the state’s income tax does so for one year only, not permanently as *Republican* legislators have argued.

The bigger picture: In 2015, *Republicans* in Michigan passed road funding that included a stipulation if revenues to the *General Fund* exceeded inflation and an additional amount to account for economic growth, the state’s income tax should decrease by a proportional amount. *Attorney General (AG) Dana Nessel* previously submitted an opinion that stated the income tax decrease is for one-year only, not permanently as some *Republican* members of the *Legislature* have argued, most notably *Senate Republican Leader Aric Nesbitt (R-Lawton)* who was serving in the *Legislature* at the time of the bill’s passage. The *Court of Appeals* affirmed a *Court of Claims* ruling this week that the income tax rate will return to 4.25 percent for 2024. The plaintiffs have indicated they are likely to appeal the ruling to the *Michigan Supreme Court (MSC)*.

To read more, please click [here](#).

HOUSE & SENATE APPROPRIATION COMMITTEES APPROVE HIGHER ED TRANSFER –

The *House* and *Senate Appropriation Committees* both approved an \$11.4 million transfer for the higher education budget this week. The increase will support the *Children of Veterans and Officers Survivor Tuition Grant Program*, as well as the *Tuition Incentive Program*.

The bigger picture: The *House* and *Senate Appropriations Committees* approved *Legislative Transfer 2024-2*, which shifts \$6 million from federal contingency authorization funds and \$5.4 million from the state competitive scholarship to the two scholarship programs listed above. *Republicans* in the *House* abstained from approving the funding shift, while the *Senate Appropriations Committee* approved the transfer unanimously.

To read more, please click [here](#).

AG NESSEL DENIES MAJORITY OF FOIA REQUEST ON FLINT DECISION MAKING DOCS

– This week, *Attorney General (AG) Dana Nessel* denied the majority of a *Freedom of Information Act (FOIA)* request over communications between leaders within the Flint water criminal prosecution.

Why it matters: In 2023 the Flint water case ended following numerous issues throughout the four-year case. Gongwer News Service requested documents of the communications between *former Chief Deputy Attorney General Fadwa Hammoud* and *Wayne County Prosecutor Kym Worthy* in an effort to understand the decisions made throughout the four-year case. *AG Nessel*, however, denied this request

claiming the communications between *Ms. Hammoud* and *Prosecutor Worthy* do not serve the public interest and therefore would not be released.

To read more, please click [here](#).

ODDS AND ENDS

- The *House Economic Development and Small Business Committee* took testimony on a bill package that would allow the *Michigan State Housing Development Authority (MSDHA)* to purchase its own debt in an effort to keep housing prices low. *House Bills 5030, 5031 and 5032* heard testimony from numerous stakeholders who all supported the bills.
- The *House Economic Development and Small Business Committee* also reported legislation that would remove a provision that prohibits the *Michigan State Housing Development Authority* from providing long-term financing for a project unless the project is constructed or rehabilitated in anticipation of the financing. *Senate Bill 417*, sponsored by *Senator Sam Singh (D-East Lansing)*, passed the *Senate* with broad bipartisan support in October 2023. *Senate Bill 417* is part of a larger package, *House Bills 5030-5032*.
- The *Senate Finance, Insurance and Consumer Protection Committee* reported legislation this week that would cap payday lending interest rates at 36 percent, bringing Michigan in line with 20 states and the District of Columbia. *Senate Bill 632* had pushback before being reported but was passed 6-1, with *Senator Lana Theis (R-Brighton)* voting no.
- The *House Health Policy Committee* took testimony only on legislation that would expand access to prescription contraceptives by allowing a 12-month supply to be given to patients. *House Bills 5013, 5435 and 5436* also allows pharmacists to prescribe birth control and require insurers to honor those prescriptions.
- The *House Regulatory Reform Committee* heard testimony on bills that would require cardiac emergency response plans and defibrillator training in public schools to become the standard. *House Bills 5527 and 5528* saw significant support from stakeholders with no one providing testimony in opposition to the bills.
- The *House Criminal Justice Committee* discussed *House Bill 5271*, which adds language to Michigan law that would define biological material, modify who can file a DNA testing petition, what the petition has to establish, when the court has to order a DNA test and what the results might mean, and the duration any potential material tested would need to be preserved in an effort to aid those challenging wrongful convictions. Opinions on the legislation were diverse with no vote taken.
- The *House Tax Policy Committee* reported a bill this week that would provide a tax credit for individuals who provide living organ donations. *House Bill 4361* is sponsored by *Representative Felcia Brabec (D-Pittsfield Township)* and was reported 11-0-1, with *Representative Pat Outman (R-Six Lakes)* abstaining.
- The *House Local Government and Municipal Finance Committee* took testimony only on legislation that would prohibit local units of government from having to pay for an unfunded mandate passed down by the state. *House Bill 5353*, sponsored by *Representative John Fitzgerald (D-Wyoming)*, received support from numerous local government groups.
- The *Senate Oversight Committee* took testimony only on a bill that would allow high school athletes to enter into name, image and likeness (NIL) contracts, similar to what is allowed for college athletes. *House Bill 4816* received mixed testimony, with some members on the committee expressing concerns about enforcing attendance requirements for student athletes.

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