

Ottawa County
Current Legislative Priorities (April 2021)

1. Elections-Related Reforms (HBs 4127, 4128, 4129, 4132, 4133 and 4134)

HBs 4127-4129 have been introduced to address three reportable conditions identified by the Michigan Office of the Auditor General's audit of the Bureau of Elections. HBs 4127 and 4128 would amend the Michigan Election law to require the Michigan Secretary of State (SOS) to remove from the qualified voter file (QVF) voters who do not respond to a mailing notifying them that they have "placeholder" birthdates in the QVF, or that they have not voted since the November 2000 general election and that failure to respond will result in their removal. HB 4129 would require the SOS to post on the SOS website in odd-numbered years the names of clerks who have not completed the required training. HB 4132 and 4133 would amend the Michigan Election Law to state that a person who knowingly filled out and submitted or caused to be submitted an absent voter ballot application containing or using another person's name and personal ID information, except as otherwise expressly authorized by law, would be guilty of a felony. HB 4134 would amend the Michigan Election Law to increase the number of electors allowed in a precinct from 2,999 to 5,000 beginning in 2022. This would save the County money by requiring fewer numbers of voting equipment and resources, such as absentee voter counting board tabulators. The County Clerks Legislative Committee, of which Justin Roebuck is the chairperson, and the Michigan Association of County Clerks support these bills. These bills have passed the House and now head to the Senate. It is unclear if the Governor will sign all of these bills, as the Democrats in the House opposed HB 4127 and 4128 because they concluded that it would limit voters' access to cast a ballot in future elections.

Action Requested: Support this legislation.

2. Prohibit DHHS from Closing a School to In-Person Instruction or Prohibiting a Qualified Sporting Event but Allow a Local Public Health Department to Do So (HB 4049)

This bill would prohibit the Michigan Department of Health and Human Services from issuing an emergency order during the COVID-19 epidemic that closed a school to in-person instruction or prohibited a qualified sporting event. The bill would also allow a local health officer to issue an emergency order that closed a local school to in-person instruction or prohibited a qualified sporting event if the number of COVID-19 cases, the percentage of positive cases and the hospitalization rates reach a certain threshold.

The House and Senate passed this bill, but the Governor vetoed it.

Action Requested: Oppose efforts to override the Governor's veto, as the Ottawa County Public Health Department feels that the State should oversee the response to the COVID-19 epidemic since COVID-19 affects the entire state and is not limited to individual counties.

3. Extend Terms of Office for County Boards of Commissioners to Four Years (SB 242)

Senator Ed McBroom reintroduced this bill that would extend the term of office for County Commissioners from two years to four years beginning with the November 2024 general election. The bill also states that if a vacancy in office occurs more than seven days before the nominating petition deadline for the general November election that is not the general November election at which a successor in office would be elected if there were no vacancy, then the individual appointed shall hold office only until a successor is elected at the next general November election. The successor shall hold the office for the remainder of the unexpired term. Previously, the Republican legislators would like to see the effective date take place during a gubernatorial election year. The Democratic legislators would like to see the effective date take place during a presidential election year.

Action Requested: Support this legislation.

4. **Requiring Courts to Accept Email Filing and Create Website to Provide Information on Every Court Case (HB 4164)**

This bill would require certain courts (including our 58th District Court, Ottawa County Probate Court and the 20th Circuit Court for the case types where it does not currently accept e-filing) to accept the filing of documents through email. By January 1, 2023, the court would be required to make available to the public through a website the register of actions and a digital image of all documents filed in any case in that court. The information in this newly created website must be free of charge, accessible to anyone without requiring a username or password and does not require a person to provide personal identifying information. This could provide difficulties in how courts can accept payments for court filings and may represent an unfunded mandate due to the cost of developing and managing a new website. Additional unfunded work may be required of court staff and County Clerk staff to redact non-public information from the register of action and case documents before making them publicly available via a website. Both the MAC and MACC (Michigan Association of County Clerks) are opposed to this bill.

Action Requested: Oppose this legislation.

5. **Statewide Sanitary Code**

HB 5752 of 2018 and HB 5753 of 2018, which was re-referred from the Committee on Natural Resources to the Committee on Local Government, would create a statewide sanitary code. Michigan is the only state without such a code. Concerns are many and significant. The legislation would eliminate the right of local jurisdictions to have a real estate transfer evaluation program, such as the very successful Ottawa County program. The legislation would also require regular inspection of most septic systems every five years instead of at point of sale, which the Ottawa program accomplishes. The Public Health Department would need significantly more staff to fulfill such a mandate. A significant amount of property would become undevelopable. The legislation would likely be viewed as an intrusion on private property rights and definitely would be an erosion of local control and authority of the Board of Commissioners. The House did not pass these bills at the end of the 2018 legislative session. It is likely that these bills will be reintroduced in 2020.

Action Requested: Do not support legislation that would negatively impact the Ottawa County Sewer Inspection Ordinance.

6. **Infrastructure Funding**

In November 2016, the 21st Century Infrastructure Commission reported that Michigan needs to invest an additional \$4 billion each year to meet our infrastructure needs. Increased federal funding and a sustainable funding model is needed to invest in a 21st century infrastructure system. West Michigan is a pilot region to develop a set of recommendations and lessons learned for use as a framework in the development of a statewide asset management system. The legislature approved the blueprint and creation of the permanent commission.

Action Requested: Increase funding at the federal and state level to meet infrastructure needs, including the protection and expansion of tax-exempt municipal bonds and low-interest grants and loans to be as efficient as possible in meeting infrastructure needs.

7. **Approach to Local Control (SB 0431, HB 4046 & HB 4090 of 2019)**

Several pieces of legislation have been introduced by members of both parties, which limit the historic local control by local units of government. While some deal with issues of immediate concern to local units (banning local ordinances regulating short term rentals, as in HB 4046 of 2019), others anticipate issues that are not of immediate concern (local food taxes and interview questions). The most recent example is SB 0431 of 2019 sponsored by Democratic Senator Adam Hollier from Detroit, which would amend the Michigan Zoning Enabling Act by prohibiting a local unit of government from preventing, prohibiting or denying a permit, approval or other authorization for the mining of natural resources (e.g. gravel mines) if the natural resources are “valuable” and very serious consequences would not result from the extraction of the natural resources. Another example is the County Law Enforcement Protection Act (formerly called the County Sanctuary Policy Prohibition Act (HB 4090 of 2019 and SB 382)), which would prohibit counties from enacting or enforcing ordinances or policies that limit or prohibit

the Sheriff's Office from cooperating with appropriate federal officials concerning the immigration status of an individual in Michigan. National and local surveys consistently indicate strong citizen support for local government and the ability to legislate locally depending on the needs and will of local citizens.

Action Requested: Ottawa County and our local units strongly support the concept of local control and oppose legislation that removes that right.

8. **Amend Municipal Partnership Act to Allow Revenue Bonds for Joint Endeavors (HB 5229)**

This bill introduced by Republican Representative Jason Sheppard would amend the Municipal Partnership Act to allow revenue bonds to be issued under a joint revenue contract. If the joint endeavor levied a millage, the number of mills would not count towards the constitutional or statutory tax rate limitation for any municipality that participates in the joint endeavor. This would allow those municipalities to levy more mills than under current law if approved by their electors. Furthermore, if a tax is levied by a joint endeavor for transportation purposes, then that tax cannot be "captured" by another governmental entity, such as a DDA or a brownfield authority. The Michigan Association of Counties, the Michigan Municipal League, Michigan Chamber of Commerce, Wayne County, Oakland County, Washtenaw County and other entities are supporting this bill. The Americans for Prosperity and the Michigan Freedom Fund are opposed to this bill.

Action Requested: Take no position at this time on this legislation.

9. **Additional Requirements to Provide Indigent Defense (SB 0724)**

This bill would increase the requirements for defense counsel to represent indigent clients and result in higher costs. Section 13(7) of PA 93 of 2013 requires the State to pay for any funding in excess of the County's share of the costs. As long as the State pays for this additional cost required under SB 0724, then the County will not oppose this bill. If the State does not pay for the additional cost, then the County will not provide these additional services.

Action Requested: Oppose this legislation if the State does not pay for the additional costs that result from this legislation.

10. **Michigan Transportation Funding for Non-Motorized Facilities (HB 4410)**

This bill would eliminate the requirement that at least 1% of the funds in the Michigan Transportation Fund be expended for construction or improvement of non-motorized transportation services and facilities, such as multi-use trails. While the County recognizes the poor condition of the roads in the state, the County, with the enthusiastic support of its residents, has constructed many miles of non-motorized trails throughout the County, including the Grand River Greenway. The County plans to continue to expand this trail system, which is a valuable asset to the County's recreational system.

Action Requested: Oppose legislation that reduces funding for non-motorized trails.

11. **Local Excise Tax on Motor Fuel to Fund Repairs of Local Roads (HB 4963)**

This bill would, beginning January 1, 2020, permit counties to adopt an ordinance to levy, assess and collect an excise tax for up to five years on the selling or delivering of motor fuel in the county. The ordinance would become effective a minimum of 30 days after the ordinance is approved by a vote of the majority of the electors in the county. The Michigan Department of Treasury would collect the tax and distribute it to the county as follows: 50% must be distributed to the local road agencies in the county in the same proportion that the population bears to the total population of all local road agencies in the county; and 50% must be distributed to local road agencies in the same proportion that the local mileage in each bears to the total local mileage in all local road agencies in the county. The revenues from the excise tax shall be used only for eligible transportation activities within the county.

Action Requested: Oppose this legislation.

12. Protect Against the Expansion of Property Tax Exemptions (i.e. HB 4268 and SB 360)

Many bills are again being introduced that would expand the number of properties that could become exempt from property taxes. As an example, HB 4268 of 2019 would exempt from the collection of taxes eligible broadband equipment that resolves lack of broadband service. SB 360 of 2019 would exempt from the collection of taxes eligible data centers. Such legislation further erodes the tax revenues of all local units of government, jeopardizes the basis of the property tax, and shifts more tax burden to the remaining citizens and businesses not exempt from property taxes. HB 4176 of 2019 requires the State to reimburse local units of government for losses from the disabled veteran's property tax exemption as an acceptable compromise where the State "pays for" their public policy instead of passing the cost to locals.

Action Requested: Oppose legislation that expands property tax exemptions, unless the State pays for it.

13. Tax Valuation Methods in the Michigan Tax Tribunal (HB 4025/4047 and SB 0026/0039 of 2019)

A primary legislative objective of local government associations (MAC, MML and MTA) continues to be problems with tax valuation methods in the Michigan Tax Tribunal (MTT). The "Dark Stores" issue references big box retailers that have increasingly been successful in MTT cases to change traditional methods of valuing property, often including deed restricted and/or vacant parcels as comparable structures to significantly lower tax valuations. Legislation is needed that will block those Dark Store techniques to reestablish a fair, equitable system of property review.

Local units won a victory in the State Court of Appeals, reversing the *Menards v. Escanaba* ruling that greatly limits the negative impacts of dark stores. The State Supreme Court upheld the Appeals Court decision and sent its ruling to the Michigan Tax Tribunal with requirement that the Tax Tribunal must take Court rulings into account when issuing a decision. We believe that the State Legislative should still adopt bills to reestablish a fair and equitable system of property review.

Action Requested: Pass legislation to reestablish a fair and equitable system of property review.

14. Use of Restraints on Juveniles during Court Proceedings (HB 4802 of 2019)

This bill, which has been referred to the Committee on Judiciary, would prohibit the use of handcuffs, chains, irons and other restraints on a child during a court proceeding unless the Sheriff's Office submits a written request to the court for approval. At a court hearing, the Prosecuting Attorney would have the burden to establish that the use of restraints is necessary for public safety. Currently, the judges are responsible for courtroom security and work in cooperation with the Sheriff's Office to determine the level of security necessary for each minor defendant on a case-by-case basis.

Action Requested: Oppose legislation that reduces the discretion of the local judges and the Sheriff's Office to determine the appropriate amount of restraint to be used on each minor defendant.

15. Personal Property Tax

SB 1031 of 2018 would allow utility personal property to be reclassified to industrial, which would exempt it from the personal property tax. This would have major implications for property tax revenue of Ottawa County, Ottawa ISD, Grand Haven Public School District and Port Sheldon Township. This was specifically and intentionally left out of the legislation that approved the Personal Property Tax Reform a few years ago. To our knowledge, Consumers Energy is the only entity pushing this. The Senate did not pass this bill at the end of the 2018 legislative session. It is possible that this bill will be reintroduced in 2019.

Action Requested: Do not support legislation that would allow reclassification of utility personal property to industrial class.

16. Revenue Sharing as Component of Pension and OPEB Legislation (HB 5314-5316 of 2017)

As part of the discussion surrounding passage of the municipal pension and OPEB bills, HBs 5314-5316 of 2017 were introduced by Rep. Ver Heulen addressing revenue sharing as an important component of local government addressing unfunded liabilities. While the pension/OPEB bills were approved, the revenue-sharing bills have yet to be taken up. We believe the legislation would protect existing revenue sharing from cuts and also ensure annual increases. The House did not pass any of these bills during the 2017 or 2018 legislative sessions.

Action Requested: Support legislation that would increase the security of existing revenue sharing payments and increase future revenue sharing.

17. Unfunded Mandates (SB 411 of 2017)

In 2009, the Legislative Commission on Unfunded Mandates determined that more than \$2.5 billion in services that can be measured, and billions more that cannot be measured, are provided by local units of government (LUGs) for free to the State of Michigan through unfunded mandates. As an example, since 1997, Michigan has not followed the state public health code (Public Act 368 of 1978, Section 2475), which requires the State to pay its share (50%) of certain allowable health program costs. Ottawa County currently receives only 21%.

Previous examples include SB 411 of 2017, which would amend the Public Health Code to require local health departments to perform several additional functions in addition to child vision screenings in an effort to require parents to follow-up with an eye care professional. The Senate did not pass this bill during the 2017 or 2018 legislative sessions.

Action Requested: Support legislation that would eliminate LUGs requirement to follow any state-imposed mandates that are not funded by the State.

Federal Legislation

1. American Jobs Plan

On March 31, 2021, President Biden released the American Jobs Plan (AJP). This plan proposes \$2.65 trillion in new federal spending over the next eight years on various forms of public infrastructure, research and development, workforce training, affordable housing, and caregiving. The AJP is funded by proposed increases in business taxes, including: increasing the corporate tax rate to 28 percent, establishing a minimum tax on corporate book income, raising the tax rate on foreign profits, eliminating the deduction for Foreign Derived Intangible Income (FDII) and eliminating tax preferences for fossil fuels.

The following table breaks down the \$2.65 trillion proposal, including \$2.25 trillion in spending identified in the White House’s fact sheet, as well as tax credits listed in the fact sheet without a cost that reportedly total \$400 billion.

<u>Provisions in the American Jobs Plan</u>	<u>10-Year Estimate</u>
Invest in Transportation Infrastructure	\$621 billion
Invest in Electric Vehicles (EV), including consumer rebates to purchase EVs, grants and incentives to build 500,000 new charging stations, and replacing and electrifying federal vehicle fleet	\$174 billion
Modernize bridges, highways and roads in critical need of repair	\$115 billion
Modernize public transit	\$85 billion
Improve passenger and freight rail service	\$80 billion

<u>Provisions in the American Jobs Plan</u>	<u>10-Year Estimate</u>
Improve infrastructure resilience by safeguarding critical infrastructure and services, defending vulnerable communities, and maximizing resilience of land and water resources	\$50 billion
Improve airports	\$25 billion
Establish dedicated fund for beneficial projects to regional or national economy	\$25 billion
Improve road safety and establish Safe Streets for All program	\$20 billion
Establish program to reconnect neighborhoods and ensure new projects increase opportunity	\$20 billion
Improve ports and waterways	\$17 billion
Other spending	\$10 billion
Invest in Domestic Manufacturing, Research & Development, and Job Training Initiatives	\$590 billion
Provide additional funding for domestic manufacturing, investing in capital access programs, supporting modernizing supply chains, and creating a new financing program to support debt and equity investments	\$52 billion
Provide additional funding to the National Science Foundation	\$50 billion
Establish Department of Commerce office to monitor domestic industrial capacity and to fund investments in the production of critical goods	\$50 billion
Provide funding for semiconductor manufacturing and research	\$50 billion
Provide funding for workforce development infrastructure and worker protection	\$48 billion
Support clean energy manufacturing with federal procurement	\$46 billion
Provide funding to upgrade research infrastructure in laboratories	\$40 billion
Establish Dislocated Workers Program and invest in sector-based training	\$40 billion
Provide additional funding for climate change research and development	\$35 billion
Provide funding for community-based small business incubators/innovation hubs	\$31 billion
Provide additional funding for R&D to spur innovation and job creation	\$30 billion
Protect against future pandemics through medical countermeasures	\$30 billion
Establish regional innovation hubs and Community Revitalization Fund	\$20 billion
Create centers of excellence to serve as research incubators for HBCUs and MSIs	\$15 billion
Provide additional funding to National Institute of Standards and Technology	\$14 billion
Provide funding for workforce development in underserved communities	\$12 billion
Provide funding for research and development at HBCUs and other MSIs	\$10 billion
Provide funding for enforcement of workforce protections	\$10 billion
Establish Rural Partnership Program	\$5 billion
Other manufacturing investments	\$2 billion
Expand Home Care Services and Provide Additional Support for Care Workers	\$400 billion
Expand access to long-term, home and community-based care services under Medicaid and extend the Money Follows the Person program	\$400 billion
Clean Energy Tax Credits	~\$400 billion
Improve Housing Stock, Modernize Schools and Child Care Facilities, and Upgrade VA Hospitals and Federal Buildings	\$328 billion
Build over a million energy efficient housing units and eliminate certain zoning & land use policies	\$126 billion
Provide direct grants to upgrade and build new public schools, with an additional \$50 billion leveraged through bonds	\$50 billion
Provide funding to improve public housing system	\$40 billion
Establish Clean Energy & Sustainability Accelerator	\$27 billion

<u>Provisions in the American Jobs Plan</u>	<u>10-Year Estimate</u>
Establish Child Care Growth and Innovation Fund and provide tax credits to encourage businesses to build childcare facilities	\$25 billion
Incentivize the building or rehabilitation of over 500,000 homes for low- and middle-income homebuyers with a Neighborhood Homes Investment Act (NHIA) tax credit	\$20 billion
Modernize VA hospitals and clinics	\$18 billion
Improve community college facilities and technology	\$12 billion
Modernize federal buildings through bipartisan Federal Capital Revolving Fund	\$10 billion
Invest in Broadband, Electrical Grid, and Clean Drinking Water	\$311 billion
Provide funding to build high-speed broadband, reduce the cost of broadband internet service, and promote transparency and competition	\$100 billion
Invest in power infrastructure	\$100 billion
Upgrade and modernize drinking water supplies through grants and low-cost flexible loans to states, Tribes, territories, and disadvantaged communities	\$56 billion
Replace all lead pipes and service lines	\$45 billion
Provide funding to monitor PFAS substances in drinking water and invest in rural small water systems & household well & wastewater systems	\$10 billion
Total	~\$2.65 trillion

To offset the nearly \$2.7 trillion of new proposals, the American Jobs Plan includes a number of tax increases on corporations. The plan would raise the corporate rate, raise the minimum tax rate on the foreign income of U.S. corporations, and impose a new corporate minimum tax, among other changes. These provisions would fully offset the bill's cost within the next 15 years, enough to pay for the new investments being proposed, albeit over a longer time period than the spending itself.

<u>Tax Increases in the American Jobs Plan</u>	<u>10-Year Savings</u>	<u>15-Year Savings</u>
<u>The Made in America Tax Plan</u>		
Raise corporate income tax rate from 21 to 28%	\$850 billion	\$1.3 trillion
Strengthen the global minimum tax (GILTI) for U.S. multinational corporations	\$500 billion	\$750 billion
Eliminate deduction for Foreign-Derived Intangible Income (FDII)	\$250 billion	\$400 billion
Enact a 15% min. tax on corporate "book" income	\$100 billion	\$200 billion
Prevent U.S. corporations from inverting or claiming tax havens as their residence	\$25 billion	\$50 billion
Eliminate tax preferences for fossil fuels	\$25 billion	\$30 billion
Eliminate deductions for U.S. corporations related to offshoring jobs and create tax credits related to onshoring jobs	unknown	unknown
Ramp up corporate tax enforcement	unknown	unknown
Achieve global agreement on a strong corporate min. tax through multilateral negotiations	unknown	unknown
Total	~\$1.75 trillion	~\$2.75 trillion

Source: Committee for a Responsible Federal Budget website

[What's in President Biden's American Jobs Plan? | Committee for a Responsible Federal Budget \(crfb.org\)](https://www.crfb.org/what-is-in-president-biden-s-american-jobs-plan/)