# Michigan Association of Mayors



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#### 100<sup>th</sup> Legislative Session – 1<sup>st</sup> Half Recap

- 47 Public Acts so far fewest since 2007
- No Fault Auto Insurance Reform
- Asset Forfeiture Reform
- Budget
- Roads
- Political Shifts



## State Budget



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- Revenue Sharing
  - Governor: 3% Constitutional (\$27.5M), 3% Statutory (\$7.7M)
  - Senate: 3% Constitutional, 0% Statutory
  - House: 3% Constitutional, 2.3% Statutory (\$5.9M)

#### Environment, Great Lake and Energy Budget



- Drinking Water Protection and Innovation
  - \$25M for Lead Pipe Removal
  - \$30M for PFAS and Emerging Contaminates
  - \$30M for Drinking Water Revolving Loan Fund Forgiveness
  - \$30M for SAW Grants
  - \$5M for Testing of Private Wells



#### Tax Policy & Economic Development



- Dark Stores reforms HB 4025, HB 4047, SB 26, & SB 39
- Veteran's property tax exemption changes HB 4176
- Personal Property Tax (PPT) Oppose any erosion of tax base without reimbursement
  - HB 4268: Broadband equipment exemption
  - Utility & solar equipment exemptions
  - Heavy rental equipment exemption
- Reinstate state historic tax credit program HB 4100 & SB 54



# Lead and Copper



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- July 26 Court of Claims <u>rejected</u> the challenge to Michigan's lead and copper rules for drinking water.
- This means:
  - The lawsuit filed to overturn the lead and copper rule was unsuccessful. Local communities and utilities will be expected to follow the lead and copper as written
  - An appeal to the decision is being discussed

#### Michigan's New PFAS Health-Based Values

Specific PFAS	Drinking Water Health-based Value
PFNA	6 ng/L (ppt)
PFOA	8 ng/L (ppt)
PFHxA	400,000 ng/L (ppt)
PFOS	16 ng/L (ppt)
PFHxS	51 ng/L (ppt)
PFBS	420 ng/L (ppt)
GenX	370 ng/L (ppt)

 In June, the Science Advisory Workgroup directed by Governor Whitmer presented new health-based values for PFAS contaminants to

These health-based values were adopted by the Michigan PFAS Response Action Team and will be used to guide the rule-making process.

#### What's next for PFAS?



- Stakeholder Listening Sessions Thank you to communities that provided feedback!
- New regulatory drinking water standards to be developed and adopted by April 2020.
- The formal rule making process is set to begin in October



### 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





#### 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



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



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# Questions?

