



Legislative Update – Lamé Duck Edition

- **90 Day Law ([PA 521](#))**
 - The legislation to extend the sunset on the 90-day law for six months was passed in the House with immediate effect on 12/13/12.
 - The bill was signed by Governor Snyder on December 28, 2012
- **Regional Transit Authority ([PA 387-391](#))**
 - Bills establishing a Regional Transit Authority in Southeast Michigan (Wayne, Washtenaw, Macomb and Oakland Counties) as well as a mechanism to fund the authority passed the House and were enrolled and sent to the Governor
 - The new authority will be governed by a ten-member board, with two representatives from each of the participating counties, one representative from the city of Detroit and one non-voting member appointed by the Governor
 - The legislation will allow the Regional Transit Authority to charge an additional vehicle registration fee of not more than \$1.20 for each \$1,000 of the vehicle's list price. It would require approval of the voters in the public transit region for this additional registration fee
 - The new RTA will go into effect in late March 2013. At that time, the County and City Executives will appoint board members who will be responsible for hiring a CEO, updating the Regional Transit Plan and more. The new RTA takes oversight financially on October 1, 2013
 - The bills were signed by the Governor on December 27, 2012
- **Michigan Energy Assistance Act ([SB 1135](#))**
 - The bill to create a new utility shut-off prevention program for low-income residents was enrolled and sent to the Governor
 - Under the act, the Department of Human Services (DHS) would have until October 1, 2013 to establish and administer the new Energy Assistance Program statewide to provide energy assistance to eligible households – which are defined as those with a household income of not more than 150% of the federal poverty guidelines
 - The program could use funds from federal energy assistance programs, as well as any collected or appropriated funds, to fund the program
 - DHS would have to distribute these funds for energy assistance. The program would be required to include services that enable participants to become or move toward becoming self-sufficient, including assisting participants in paying their energy bills on time, assisting participants in budgeting for and contributing to their ability to provide for energy expenses, and assisting participants in utilizing energy services to optimize on energy efficiencies

- The act sunsets after September 30, 2016
- The bill was enrolled and sent to Governor Snyder on December 27, 2012
- **Lifetime Cash Assistance Limits ([SB 1386](#))**
 - The bill to codify the time limits on cash assistance was enrolled and sent to the Governor on December 27, 2012
 - The bill would prohibit the Department of Human Services (DHS) from providing Family Independence Program (FIP) assistance to any program group that includes an adult who has received assistance under any state program funded with Temporary Assistance for Needy Families (TANF) for more than 60 months, whether consecutive or not, after October 1, 1996
 - The bill specifies that the 60-month provision would not apply to FIP program group that includes an adult who is exempt from participation in the Jobs, Education and Training (JET) program under certain sections listed below
 - A child under 18
 - A disabled recipient
 - A recipient 65 or older
 - A recipient of federal Supplemental Security Income (SSI) or federal disability insurance (RSDI)
 - A recipient with a history of domestic violence
 - A caretaker of a disabled spouse or child)
- **Detroit Lighting Authority ([PA 392-394](#))**
 - The bills amend the City Income Tax Act to:
 - Allow the City of Detroit to incorporate a lighting authority for the purpose of acquiring, owning, improving, constructing, operating or maintaining a lighting system and providing lighting services
 - Amend the City Utility Users Tax to direct \$12.5 million annually to the lighting authority which could be used to support bonds
 - The City Utility Users Tax levies up to 5% on certain utility services with the revenue to be used to hire or retain police officers
 - Set Detroit city income tax rates on individuals at 2.4% for residents and 1.2% for nonresidents as of January 1, 2013
 - Lower the rates to 2.2% on residents and 1.1% on nonresidents on January 1 of the year immediately succeeding the year that the debt issued by a lighting authority has been fully paid
 - Dedicate an amount equal to .2% of the tax on residents and .1% of the nonresident tax to the city police budget until the lighting authority debt is fully paid and revenues levied under the City Utility Users tax are no longer pledged to the lighting authority
 - The bills were signed by the Governor on December 27, 2012
- **Emergency Manager Law ([PA 436](#))**
 - The bill would create a new act to do the following when an emergency manager has been appointed under the Local Government and School District Fiscal Accountability Act:

- Authorize the Governor to remove the local government from receivership or appoint a receivership transition advisory board, if the local government's financial emergency has been rectified
- Allow the Governor, before removing the local government from receivership, to appoint a receivership transition advisory board to monitor the affairs of the local government
- Specify the powers of a receivership transition advisory board
- Authorize the Governor to appoint a new emergency manager if the local government's financial conditions had not been corrected in a sustainable fashion
- A receivership transition advisory board could:
 - Require the local government annually to convene a consensus revenue estimating conference
 - Require the local government to provide monthly cash flow projections
 - Review proposed and amended budgets, proposed collective bargaining agreements, and requests to issue debt
 - Review the local government's compliance with a deficit elimination plan
 - Review proposed judgment levies before submission to a court
- The bill was signed by Governor Snyder on December 26, 2012