

**ECONOMIC INCENTIVE BILLS PASS HOUSE AND SENATE** – This week, the *House* and *Senate* passed an economic incentive package that aims to make Michigan more competitive in attracting and securing multi-billion dollar investment projects. Proponents of the legislation argue Michigan is woefully lacking economic incentives other states have devised to successfully lure billion dollar manufacturing developments, leaving Michigan in their wake.

Action on the economic incentive package began in the *House* this week on Wednesday. The *House* fast-tracked *House Bills 5602, 5603* and *5604* reporting the legislation out of the *House Government Operations Committee* and the *House* floor in the same day. All *House Bills* passed with bipartisan support, 83 to 21. The *Senate* followed suit on Thursday, discharging *Senate Bills 769, 770* and *771*, from the *Senate Government Operations Committee*, adopted substitutes largely mirroring the House package and ultimately passing the legislation with bipartisan votes. *Senate Bills 769, 770* and *771* passed the *Senate* 27 to 10. The swapping of the bills by each chamber positions the legislation for final action next week.

Little was known about the substantive contents of the economic incentive package prior to the substitutes being released on Wednesday. *House Bill 5602 (Senate Bill 769)*, would create the *Strategic Outreach and Attraction Reserve Fund* in the *Department of Labor and Economic Opportunity (LEO)*. This fund would require the state treasurer to deposit money and other assets received from state appropriations or any other source into the fund and would direct the investment of money and the deposit of interest and earnings from those investments in the fund. *LEO* would be the administrator for auditing purposes. Money in the *Strategic Outreach and Attraction Reserve Fund* could be expended only pursuant to an appropriation or legislative transfer and only for either or both of the following purposes:

- For deposit into the *Michigan Strategic Site Readiness Fund* proposed by *House Bill 5603*.
- For deposit into the *Critical Industry Fund* proposed by *House Bill 5604*.

*House Bill 5603 (Senate Bill 770)* would create the *Michigan Strategic Site Readiness Fund* as a separate account within the Jobs for Michigan Investment Fund created within the *Michigan Strategic Fund (MSF)*. The *Michigan Strategic Site Readiness Fund* would include money appropriated to, transferred to, or deposited in the fund from the *Strategic Outreach and Attraction Reserve Fund*. The *MSF* would have to spend money from the *Michigan Strategic Site Readiness Fund* only to provide grants, loans, investments, or other economic assistance to *eligible applicants* to conduct *eligible activities*.

An *eligible applicant* is defined within the bill and includes but is not limited to: a political subdivision of the state, including, a county, city, village, township, or charter township; a local economic development corporation; a single purpose or multipurpose special district or public authority; an end user of the site; or an owner of the site, but not the end user as long as both entities apply jointly. *Eligible activities* are also defined within the legislation and include but are not limited to: land acquisition and assembly; environmental remediation; site preparation and improvement; infrastructure improvements including water, wastewater and utilities; and, architectural, engineering, surveying, and similar professional fees.

*House Bill 5604 (Senate Bill 771)* would create the *Critical Industry Fund* as a separate account within the Jobs for Michigan Investment Fund created within the *MSF*. The *Critical Industry Fund* would include money appropriated to, transferred to, or deposited in the fund from the *Strategic Outreach and Attraction Reserve Fund*. *MSF* would have to spend money from the *Critical Industry Fund* only to provide qualified investments to qualified businesses for deal-closing, gap financing, or other economic

assistance to create new qualified jobs or make capital investments, or both, as determined by the *MSF* board. Money in the fund could not be used for administrative purposes.

To view the *House Fiscal Agency (HFA)* summary of *House Bills 5602, 5603 and 5604*, please click [here](#). To view the *Senate Fiscal Agency (SFA)* summary of *Senate Bills 769, 770 and 771*, please click [here](#).

**HOUSE APPROPRIATIONS COMMITTEE TAKES TESTIMONY ON SUPPLEMENTAL** – The *House Appropriations Committee* began discussing a health focused supplemental appropriation bill this week, *House Bill 5523*. On Wednesday, the *Committee* heard testimony only on *House Bill 5523*, a bill that appropriates \$1.23 billion in federal funding, \$395.8 million of which would come from the federal *Coronavirus State Fiscal Recovery Funds*.

*House Bill 5523* largely focuses on health care recruitment and retention, as well as *COVID-19* testing. The largest amount of funding is dedicated toward student and community *COVID-19* testing (\$667 million), with \$300 million of that earmarked for schools to buy testing kits directly. The bill also allows the state to stockpile additional tests for schools. The other \$367 million would go toward continued testing in communities throughout the state, setting aside \$100 million of that money specifically for employers with staff that have received an exemption from any government-mandated *COVID-19* vaccine mandate.

The supplemental also includes \$134 million cumulatively, for eight *COVID-19* testing sites across the state, where individuals who qualify could also get a monoclonal antibody treatment. Another \$90 million is included and would go toward continuing vaccination programs throughout Michigan. Other priorities include \$25 million to procure *COVID-19* treatment drugs, as well as \$300 million for recruitment and retention bonuses to get more staff into health care settings.

*House Bill 5523* remains in the *House Appropriations Committee*. To view the *House Fiscal Agency (HFA)* summary of *House Bill 5523*, please click [here](#).

**GOV WHITMER SIGNS EXECUTIVE DIRECTIVE** – This week, *Governor Gretchen Whitmer* signed *Executive Directive 2021-13* which directs state departments and agencies to collaborate with the legislature and ready the state to build up electric vehicle charging infrastructure and create good-paying clean energy jobs.

The *Executive Directive* directs state departments to take a range of actions to help Michigan build the future of mobility and electrification, including:

- Putting Michigan workers and businesses first, prioritizing in-state businesses and workers as the state continues building up electric vehicle charging infrastructure.
- Helping local communities build more efficiently, using the “dig once” principle to complete work on electric vehicle chargers, pipes, high-speed internet, roads, and other utilities simultaneously wherever possible.
- Working with the legislature to leverage the federal dollars we have to position Michigan as the national leader in electric vehicles and save drivers time and money on their commutes.
- Prioritizing the growth of Michigan’s advance mobility workforce through education, training, and talent acquisition programs.
- Optimizing the placement of electric vehicle charging stations across the state to facilitate long-distance travel and daily commuting in rural, urban, and suburban areas.

- Working with utilities and other stakeholders to consider electric vehicle charging needs in all new distribution system upgrades and utility distribution plans.
- Expanding on current initiatives to assist fleets in transitioning to clean fuels.

To view *Executive Directive 2021-13*, please click [here](#).

## **ODDS AND ENDS**

- Michigan continues to experience its fourth wave of **COVID-19**. The seven-day average for newly confirmed cases of **COVID-19** is 7,203, with the state's positivity percentage at 19.13 percent as of Tuesday. Hospitalizations currently stand at 4,630 adults with suspected or confirmed cases of **COVID-19**, which is well-above the previous pandemic record of approximately 4,300 adults hospitalized. The seven-day average for deaths due to **COVID-19** currently stands at 93 per day. The state also reported that 20 percent of inpatient hospital beds are occupied with **COVID-19** patients.
- **Governor Gretchen Whitmer** criticized **President Joe Biden's COVID-19** vaccine mandate for employers of 100 or more or have their workers undergo regular testing. **Governor Whitmer** stated the mandate will cause problems for Michigan's state government workforce and is the main reason why the **Governor** has not implemented a mandate at the state level.
- The **Michigan Catastrophic Claims Association (MCCA)** announced it will refund 60 percent of its vehicle surplus, \$400 per vehicle, to drivers in Michigan. **Governor Gretchen Whitmer** called upon **MCCA** to refund the entire \$5 billion vehicle surplus in November, which would have amounted to \$700 per vehicle. **Governor Whitmer** later revised her request to urge the **MCCA** to refund the maximum amount possible. Under the 2019 no-fault law, the **MCCA** would not have analyzed the need for a refund until 2022. The organization moved up its analysis at the **Governor's** request.
- A bipartisan group of **Senators** introduced a bill package that would aim to provide additional supports to the state's port authorities and maritime industry and help ensure the state is more competitive with surrounding states that border the Great Lakes. **Senate Bills 743, 744, 745** and **746** were all referred to the **Senate Economic and Small Business Development Committee**.
- The **Senate** passed legislation this week that would allow out-of-state licensed medical workers to practice in Michigan temporarily when there has been a declared public health emergency. **Senate Bill 759** passed unanimously and now resides in the **House Health Policy Committee**.
- The **House Education Committee** moved legislation this week that would allow community colleges to establish nursing education programs that grant Bachelor of Science in nursing degrees. **House Bills 5556** and **5557** passed out of the committee by a margin of 8 to 2, with two members abstaining.
- The **House** passed legislation this week that would allow 17-year-old residents to sell or serve liquor in establishments like restaurants and bars. **House Bill 4232** passed by a margin of 64 to 39 and now resides in the **Senate**.
- **House Speaker Jason Wentworth (R-Farwell)** re-assigned **Representative Steve Marino (R-Harrison Township)** to a number of committees this week. **Representative Marino** was added to the **House Appropriations Committee**, as well as the appropriations subcommittees on **Agriculture and Rural Development** and **General Government**. **Speaker Wentworth's spokesperson Gideon D'Assandro** said **Representative Marino** will be replacing **Representative Andrew Fink (R-Hillsdale)** on the full appropriations committee and **Representative Jeff Yaroch (R-Richmond)** on the subcommittees.

- The *House* passed legislation this week that would extend county commissioner terms from two years to four. *Senate Bills 242* and *245* both passed the chamber by a margin of 75 to 29 and were sent to *Governor Gretchen Whitmer* after being ordered enrolled by the Senate.