

LegislativeUpdate

Michigan Association of Superintendents & Administrators | June 21, 2019



In this update:

- Summary
- [Serious Concerns on Republican's Plans to Raise Road Funds](#)
- [WorkKeys Resurfaces](#)
- [Press Boxes Passes House](#)
- [Marketplace Facilitators](#)
- [House Bills to Decrease Penalties for CPL Holders Moves](#)
- [House Mandatory Reporting Bill Transmitted to Senate](#)

Summary

This week in Lansing the House Education Committee did not meet and both chambers are heading full speed toward summer recess. Although, last week

we reported that session had been scheduled through July and August, it appears those tentative days will be genuinely tentative and more than likely canceled.

There was movement on a number of issues in the House chamber and we captured what you need to know below.

One issue that did come up that will again impact school funding, is a Republican proposal that would securitize the state's pension funds in order to fund roads. Read more on this below.

As always, please contact [MASA](#) with any questions or concerns.

Serious Concerns on Republican's Plans to Raise Road Funds

News broke this week that Senate Republicans are considering delaying the state's repayment of its long-term debt or securitizing the state's pension funds as options for raising funds to pay for fixing Michigan's roads.

In other words, this idea would delay the date that debt on pensions would be repaid. The current payoff year is 2038, extending that date would result in more expense (think of extending your mortgage), and pull resources from the classroom. It's also not entirely clear this complicated and misguided scheme will result in an adequate amount of funding to actually fix the roads. This one-time option could generate at least \$1 billion a year for road repairs—a far cry from the \$2.5 billion experts insist is needed.

Details are still forthcoming on this plan, but MASA opposes this type of short-sighted attempt at solving the problem. We continue to advocate for long-term solutions with dedicated resources for the roads and a substantial and meaningful increase for Schools. As more details emerge we will share them.

WorkKeys Resurfaces

HB 4162 sponsored by Rep. John Reilly (R-Oakland Twp.) was reported to the House floor Wednesday and to the Senate Thursday after months of delay in the Ways and Means Committee. As you know, this bill would remove the requirement that the Michigan Merit Exam (MME) include an assessment that can be used in evaluating the student's workforce readiness. Michigan currently uses the ACT WorkKeys Assessment to fulfill that requirement. Under the version that passed the House, the Legislature would be required to reimburse a district's cost if it chooses to provide students with the opportunity to take the assessment.

This bill was held up after the committee heard opposition to the bill. MASA is supportive of the legislation and will continue to update members as it moves through the Senate.

Press Boxes Passes House

A bill to relieve some regulation on construction of athletic facilities passed the House this week. The bill has gone through several iterations. In the Senate-passed version, SB 294 also contained language that would exempt press boxes from accessible route requirements under the Michigan Construction Code. The H-3 substitute reported from the House Committee on Ways and Means does not contain that language. The H-3 substitute adds to the proposed heating exemption the stipulation that any heating that is installed must comply with the act and the Construction Code and the provision limiting the application of the exemption to spaces, buildings, or structures not yet existing.

On at 57-52 vote with all democratic members in opposition. Trade groups have come out against the bill since it overwhelmingly passed the Senate, bringing

the votes closer to party line in the House.

MASA supports the bill and we are working to ensure that the bill gets to Gov. Whitmer's desk and that it's signed. Stay tuned on that front.

Marketplace Facilitators

Legislation to require major online retailers to collect Michigan sales tax from third-party retailers who sell goods and services off their websites to Michigan customers moved to the House floor Wednesday. HB 4540, HB 4541, HB 4542 and HB 4543 were reported from House Tax Policy to the Ways and Means Committee on a 13-1 vote.

Recall that last year's U.S. Supreme Court decision in *South Dakota v. Wayfair* allows states to tax major online retailers. The Michigan Department of Treasury has been operating on internal rules that are allowing it to collect sales tax from online retailers who make more than \$100,000 in sales to Michigan residents or had 200 or more transactions from Michigan customers.

The legislation defines marketplace facilitators as an individual that contracts with marketplace sellers to facilitate the sale of the seller's products through a physical or electronic marketplace, whether or not the facilitator charges a fee. Additionally, to be defined as a marketplace facilitator, entities must communicate about the offer and acceptance, as well as the collection of payment (indirectly or directly). A person that rents out rooms or other facilities for temporary facilities or those who provide internet advertising services, including listing products for sale, would not qualify as a marketplace facilitator. The bills amend the Use Tax Act and Sales Tax to make these changes regarding.

Expansion of Michigan's online sales tax law to include anyone else selling under a major retailer's banner is expected to draw between \$80 to \$120 million more into the state. The House Fiscal Agency estimates that next year alone

this legislation would generate \$168 million this fiscal year and \$225 million next fiscal year.

MASA supports this bill package.

House Bills to Decrease Penalties for CPL Holders Moves

The House Military, Veterans and Homeland Security Committee took action on bills that reduce penalties for Concealed Pistol License holders carrying in gun-free zones.

HB 4200 and 4201, introduced by Rep. Gary Eisen (R-Saint Clair Township) had originally called for the penalty to be reduced to a \$100 civil infraction, no matter the number of infractions. Substitutions were proposed by Minority Vice Chair Rep. Jewell Jones (D-Inkster) and were adopted. The committee made changes to the bill to designate the penalty for a first offense as a \$275 civil infraction, a second offense within five years would be a misdemeanor punishable by up to 90 days in jail and a one-year suspension of the license, while a third offense within five years would be a felony punishable by up to two years in prison.

Currently, if an individual were to carry a concealed weapon into a no carry zone, they would be charged with a felony along with a \$500 fine and would also lose their concealed pistol license for at least six months. This legislation not only lowers the penalty and but also would not take away an individual's CPL.

As you are aware, schools are gun free zones, so these changes impact school district policies. MASA does not currently have a position on the bills but will be working other stakeholders to weigh in.

House Mandatory Reporting Bill Transmitted to Senate

On Wednesday, the House reported [House Bills 4376 and 4377](#) to the Senate. The legislation concerns mandatory reporters of child abuse and are reintroductions from last session. Recall that several bills were in play last session in an effort to expand our state laws pertaining to both child and sexual abuse. This was in response to the Nassar scandal at Michigan State University.

House Bill 4376 would expand the list of mandatory reporters to include athletic trainers. House Bill 4377 would require the state to create comprehensive training materials for all mandatory reporters and make them publicly available. Organizations, including school districts, who employ mandated reporters would be required to distribute the information to those employees. This legislation does not apply to coaches. You may remember that in the previous session, the bill did apply to coaches and concerns were raised regarding part-time and volunteer positions.

MASA does not have a position currently on these bills as we were anticipating amendments to the bills. The committee will take a position while this legislation is in the Senate.

