

CAPITOL UPDATE

FALL 2015

ACEC

AMERICAN COUNCIL OF ENGINEERING COMPANIES
of Michigan



A LEGISLATIVE SUMMARY FROM THE ACEC/M POLITICAL AFFAIRS COMMITTEE

Certificate of Merit (SB 149)

SB 149, which would require the submission of an Affidavit of Merit for negligence claims against design professionals, was on the agenda for the April 28, 2015 meeting of the Senate Judiciary Committee. ACEC/Michigan Executive Director Ron Brenke provided testimony in support of the bill along with ACEC affiliate member and lawyer Craig Thompson of Sullivan, Ward, Asher & Patton, P.C. The committee heard testimony only, and did not vote on the bill. Due to some opposition, the bill has not moved forward. The ACEC Political Affairs team is working to move the bill forward this fall.

Qualifications-Based Selection (QBS)



Rep. Robert Kosowski

Work continues to improve legislation that was introduced in the House that would require local government agencies to use a Qualifications-Based Selection process for procuring design professional services. Substantial changes have been made to provide greater detail and clarity in the bills. Amendments to the legislation are expected to be introduced in early September by the bill sponsor, Representative Robert Kosowski.

Transportation Funding

On June 10, the House passed a 12-bill package that would generate approximately \$1.05 billion annually for transportation. The plan would dedicate \$700 million in General Fund dollars (source not determined) and reprioritize restricted funds (\$185 million total) from tobacco settlement funds (\$75 million), the tribal gaming compact (\$60 million) and by repurposing film subsidies (\$50 million). The plan would also eliminate the Earned Income Tax Credit (\$117 million) and add registration fees on electric/hybrid vehicles and raise the diesel fuel tax to match the gasoline tax (\$45 million).

On July 1, the Senate passed a 9-bill package that would generate approximately \$1.5 billion annually in new revenue for Michigan's deteriorating transportation system. According to the fixingmiroads.com website, this would only cost motorists \$82.68 per driver per year, much lower than the current cost of \$868 per driver per year for doing nothing. The package of bills included an increase in the gasoline tax (15 cents total) and diesel fuel tax that would generate approximately \$800 million.

The package also included new registration fees on hybrid and electric vehicles (1.7 million) and reprioritizing current revenues in the General Fund (\$700 million).

Since passage of these proposals, the legislature has been unable to come up with a plan that is supported by a majority of members in both legislative chambers. The legislature was in session late on August 19 to again try to pass a compromise only to adjourn without a solution until after Labor Day.

To further complicate the issue, a group of construction labor unions have launched a campaign to increase the corporate income tax from 6% to 11% to fund road repairs. Recent reports indicate legislative leaders may have an agreement on a new plan that would include \$800-\$850 million in new revenue from a 9-cent fuel tax increase and a \$50 registration fee increase, and \$350-\$400 million in revenue from reprioritizing general fund revenue. ACEC continues to be engaged in the discussion and is urging a timely solution that provides sustainable long-term funding for Michigan's transportation system.

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2016 ACEC Legislative Events

State: March 16, 2016

Christman Building, Lansing, MI

National: April 17–20, 2016

Marriott Wardman Park,
Washington, D.C

ACEC PAC Chairs

Bob Rayl

RS Engineering, LLC

Jack Wheatley

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◀ ACEC Michigan members meet with Senator Debbie Stabenow in Washington, DC.