



## **Capitol Corner An ECIC Legislative Update December 21, 2007**

### **Legislature Misses Deadline but Kills Service Tax**

The Legislature in true fashion for this year came to agreement with the Governor on replacing the much maligned service tax just after it went into effect early on December 1, 2007. The service tax was repealed just before 5 a.m. when the Senate (30-4) and the House (66-42) voted to approve HB 5408 (S-8).

The service tax was replaced in the legislation with a 21.99 percent surcharge on the new Michigan Business Tax and was capped at \$6 million for any one business. The surcharge will sunset on January 1, 2017, with economic triggers that could end the surcharge as early as 2014.

To make sure that the repeal of the service tax with the new surcharge is revenue neutral, \$100 million will be used from one-time money raised in the first year of the new Michigan Business Tax. Several business credits in the Michigan Business tax were also reduced to ensure revenue neutrality. The deal will ensure that all of the \$631 million in revenue for FY 2008 will be generated.

### **Recall Paperwork Filed Against Two More Legislators**

Representative Marty Griffin (D-Jackson) and Rep. Aldo Vagnozzi (D-Farmington Hills) were the latest legislators to have recall paperwork filed against them. If approved, then signatures could be gathered to attempt to recall the legislators.

They join the other legislators targeted for recall for their votes to raise taxes, including:

Rep. Steve Bieda (D-Warren)  
Rep. Marc Corriveau (D-Northville)  
Rep. Robert Dean (D-Grand Rapids)  
Rep. Andy Dillon (D-Redford Township)  
Rep. Marie Donigan (D-Royal Oak)  
Rep. Ed Gaffney (R-Grosse Pointe Farms)

Rep. Mary Valentine (D-Muskegon)  
Sen. Gerald Van Woerkem (R-Norton Shores)  
Rep. Joel Sheltroun (D-West Branch)

Repeal petition language has been approved for Rep. Robert Dean (D-Grand Rapids) and Rep. Marie Donigan (D-Royal Oak). Rep. Dean is the only one that is known to have signatures being gathered for recall. Rep. Donigan is appealing the election board's decision.

## **Senate and House pass Lead-Free Toy Legislation**

The Senate and House passed unanimously legislation to prohibit the sale of any toy made of lead or covered with lead-based paint. SB 174 was introduced by Sen. Roger Kahn (R-Saginaw). The legislation is part of a multi-bill package including HB 4399, introduced by Rep. Lisa Wojno (D-Warren), which prohibits the sale of lunch boxes containing lead; HB 4132, introduced by Rep. Ed Gaffney (R-Grosse Pointe Farms), prohibits or requires labeling for certain lead-bearing consumer products; and, HB 4936, introduced by Rep. Andy Coulouris (D-Saginaw), removes the sunset on the Michigan Childhood Lead Poisoning Prevention and Control Commission.

All of the legislation was signed into law by Governor Granholm on December 21, 2007.

## **House Passes Adoptive Parent Equality Legislation**

The House passed on December 13, 2007, HB 5261, a bill to require employers who allow workers time off with pay following the birth of the employees' child provide the same leave with pay to an employee when a child under 5 years of age is adopted by the employee. The bill passed on a vote of 101-7.

## **Bipartisan Effort to Improve Healthcare Coverage for Autism**

A Bipartisan and bicameral effort is taking shape to require health insurance to cover autism treatments. Currently, insurers pay for autism screenings but too often fail to cover the cost of treatment. The two bills being spotlight SB 784 and SB 785 also create an income tax check-off box to help fund autism programs and research.