

# WEEKLY **UPDATE**

---

March 12, 2021



# COVID-19 Economic Relief Package Signed

[President Joe Biden](#) signed his sweeping [\\$1.9 trillion Covid-19 economic relief package](#) into law on Thursday afternoon.

Congress on Wednesday [passed the relief package](#), which has been Biden's first and most pressing legislative priority since taking office in January. Biden had originally been expected to sign the bill on Friday.

## Michigan Senate Passes Resolution to Oppose Federal Election Reform Bill

The Michigan Senate on Thursday approved a resolution urging Congress and President Joe Biden to oppose a federal election reform bill, [H.R. 1](#).

The massive federal bill would affect how Americans register to vote, how ballots are cast and how states conduct elections. Advocates say it will improve voter access to people of color and prevent gerrymandering. Opponents say it would federalize election administration.

State Sen. Ruth Johnson, R-Holly, sponsored [Senate Resolution 25](#) which says H.R. 1 Michigan rejected more than 15,000 ballots from the November election, including 3,469 from voters who cast absentee ballots but died before Election Day.

The election reform bill passed the House along party lines and now needs at least 10 Republican senators to support it for it to move forward.



## Governor Whitmer Visits I-94 Lansing Avenue Bridge in Jackson Alongside Leaders and Elected Officials

Governor Gretchen Whitmer traveled to the I-94 Lansing Avenue Bridge in Jackson this week to discuss the administration's Rebuilding Michigan plan and the \$300 million proposal that would address our crumbling bridges and make a greater investment in our infrastructure. The governor was joined by Jackson Mayor Derek Dobies and members of Local 324 Union for Operating Engineers.

The I-94 project has received \$120 million through the Rebuilding Michigan bonding initiative with construction beginning on March 8, 2021. Rebuilding Michigan is a \$3.5 billion program to rebuild state highways and bridges that are critical to the state's economy and carry the most traffic. Governor Whitmer's budget proposes a \$300 million Bridge Bundling proposal would have MDOT fix 120 bridges in serious or critical condition.

## Senate Republicans Threaten to Sue if Whitmer Tries to Use Federal Funds Tied to Vetoed Bills

Michigan Senate Republicans are gearing up to sue Gov. Gretchen Whitmer if her administration attempts to allocate federal funds tied to policy bills limiting the state health department's authority without signing them.

During the Senate's Thursday session, lawmakers voted 20-14 along partisan lines to give Senate Majority Leader Mike Shirkey, R-Clarklake, the authority to take legal action if Whitmer tries to spend money tie-barred to the passage of House Bill 4049 and Senate Bill 1.

**Senate Resolution 26** sponsored by Sen. Jim Stamas, R-Midland, states that an action to spend the tie-barred funds "would be contrary to both law and Michigan's constitutional system."



Of the \$4.2 billion COVID-19 spending plan passed out of the Republican-led Legislature — the bulk of which comes from federal funds appropriated to Michigan by Congress — about \$840 million in school funding was tie-barred to House Bill 4049, which would shift authority on closing in-person learning and sporting events during the COVID-19 pandemic from the state to local health departments.

And slightly more than \$347 million in COVID-19 testing funds was tied to passage of Senate Bill 1, which would require legislative approval of DHHS emergency public health orders after 28 days and calls for the specific science and data behind each declaration.

Whitmer vetoed House Bill 4049 this week and has indicated she plans to veto [Senate Bill 1](#) as well.

Whitmer did not veto the funding that's tie-barred to the policy legislation, but line-item vetoed \$652 million in spending allocated by the Legislature that included a \$150 million general fund deposit into the Unemployment Insurance Agency fund, \$405 million in relief for property tax and fee relief for businesses, about \$87 million in funds for non-public schools and \$10 million for a summer school grant program.

In a letter to the Legislature this week, Whitmer indicated a legal review of the legislation was ongoing and said when it was complete, she would “direct state departments to implement this legislation consistent with constitutional requirements.”

## **HFA, SFA: Revenues Soar \$500M Above Projections – For Now**

A late start to the beginning of the federal tax season was a component that affected February revenues being significantly higher than projected for the month, both the Senate and House Fiscal agencies said in separate reports Wednesday.

Combined General Fund and School Aid Fund revenue for February totaled \$1.6 billion, SFA said. This was up 46.6 percent from the same period the previous year and \$486.7 million ahead of what was expected for the month based on the January consensus revenue estimate.

Several factors led to the higher collections, the agency said Wednesday in its monthly revenue report. These were higher than expected individual income tax withholding, higher sale and use tax collections and a delay in the individual income tax refund processing process due to issues with the federal Internal Revenue Service's implementation of tax provisions contained in the federal coronavirus stimulus package passed in December 2020.



The House Fiscal Agency said while General Fund revenue on a year-to-date basis was \$601.3 million above projections, almost half of that is from projected income tax refunds expected to be paid out soon.

In February, General Fund revenue was \$597.8 million, about \$472.5 million above the projection established in January. The primary components were income tax withholding, significantly lower than expected refunds and use tax revenue.

Sales tax receipts were up 8.1 percent in February compared to the same period one year ago and came in at \$53.4 million above projections. Sales tax collections from motor vehicle sales were up 18.4 percent from the previous February.

Use tax collections were up \$57.9 million from forecast level as well as 66.7 percent above what was reported the previous February. For the fiscal year to date, use tax revenue was \$146.2 million above estimates and up 53.8 percent from the previous year.

Combined business tax collections from the Single Business Tax, Michigan Business Tax and the Corporate Income Tax were at \$22.4 million for the month. This was \$66.8 million above forecast levels.

## Clients in the News

[WATCH: Recap of Battle to Save Michigan State Swim & Dive's first press conference | WLNS 6 News](#)

[Supporters of Michigan State University's swim team to testify after program cut \(clickondetroit.com\)](#)

[MSU athletes, alumni continue efforts to save swimming and diving programs \(fox47news.com\)](#)





Khoury  
Johnson  
Leavitt

kjlteam.com  
124 W. Allegan, Suite 1700  
Lansing, MI 48933

#### Social Media

-  [Khoury Johnson Leavitt](#)
-  [@KJLfirm](#)
-  [@KJLpage](#)
-  [@firmKJL](#)

#### Additional Resources

- [www.michigan.gov/coronavirus.com](http://www.michigan.gov/coronavirus.com)
- [www.michigan.gov/ag](http://www.michigan.gov/ag)
- [www.cdc.gov/coronavirus.com](http://www.cdc.gov/coronavirus.com)
- [www.michiganbusiness.org](http://www.michiganbusiness.org)

#### KJL Team Contact Information

**Ron Khoury**  
ron@kjlteam.com  
(517) 881-6356

**Stephanie Johnson**  
stephanie@kjlteam.com  
(517) 648-1602

**Andy Leavitt**  
andy@kjlteam.com  
(810) 625-0861

**Marcy Lay**  
marcy@kjlteam.com  
(517) 282-3295

**Ryan Burtka**  
ryan@kjlteam.com  
(313) 605-3878

**Karen Currie**  
karen@kjlteam.com  
(616) 706-2282

**Mike Zimmer**  
mike@kjlteam.com  
(517) 285-4126

**Brian Clark**  
brian@kjlteam.com  
(517) 410-3430

**Lauren Bunn**  
lauren@kjlteam.com  
(616) 826-1262