

NORTHERN MICHIGAN CHAMBER ALLIANCE

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ALLIANCE QUARTERLY

JULY - SEPTEMBER 2021

WELCOME FROM OUR CHAIRS

Over the past quarter, the Northern Michigan Chamber Alliance has kept the momentum going on a number of key issues.

We successfully advocated for historic investments in child care and workforce development, and made sure that our policy priorities have all passed either the House or Senate. But the work is not done. We remain focused on getting our reforms across the finish line and advocating for continued investment in these priorities.

To help us achieve our goals, the Alliance recently welcomed Henry Wolf as our new Director of Government Relations. Henry hit the ground running and is focused on growing Alliance membership and ensuring our policy priorities become law this term. We are looking forward to working together and identifying new ideas that will help move northern Michigan forward. Read more about Henry on page three.

As we look toward the final months of 2021, we are continuing to work on our key policy priorities and 2021 framework. We have updates on Child Care legislation and the 2022 budget in this quarterly newsletter, in addition to other housing legislation introduced earlier this year and a revision to the short-term-rental legislation, which was recently passed in the House.



Stacie Bytwork
Chairperson



Sarah Van Horn
Vice-Chairperson

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ABOUT THE ALLIANCE

The Northern Michigan Chamber Alliance is a coalition of 16 chambers and economic development organizations from across northern Michigan. The Alliance partnership works from the premise that many legislative issues impact the U.P. and northern Lower Peninsula in similar ways. Our coalition exists to advocate for rural northern Michigan and move forward rural-centric business policy. Focus is given to supporting the success of existing northern Michigan businesses, developing and attracting a talented workforce in northern Michigan, and maximizing the competitiveness of the rural northern Michigan business environment. The Alliance includes nine Partners, one Supporting Partner, six Associate Partners, and over 7,000 member businesses from across northern Michigan.

***“ONE SIZE
DOES NOT
FIT ALL”***

Northern Michigan Chamber Alliance Partners and Supporting Partners



Associate Partners



HENRY WOLF

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WELCOME, HENRY WOLF

In early October, the Northern Michigan Chamber Alliance welcomed Henry Wolf to the organization as the its Director of Government Relations. Henry also serves as the Director of Government Relations for Traverse Connect.



Henry has spent his career working in Michigan legislative offices for State senators and representatives and serving in central staff for the Michigan House of Representatives.

"Henry offers an impressive depth of understanding on the issues that are most critical to northern Michigan businesses, including attracting a talented workforce, supporting the ongoing success of our region's businesses, and maximizing competitiveness at the state, national, and international level," said Stacie Bytwork, chair of the Northern Michigan Chamber Alliance.

Henry is a graduate of Central Michigan University and will be relocating to the Grand Traverse region from East Lansing in December.



LOOKING AHEAD

NEW ALLIANCE WEBSITE LAUNCHING IN DECEMBER

The Northern Michigan Chamber Alliance will debut new branding and a new website in December. The new website will offer our member organizations a higher profile with photography and information on each organization. The new site offers simple navigation to learn more about our policy priorities and framework adopted earlier this year and offers its own event registration platform and newsfeed.

SAVE THE DATE: NORTHERN MICHIGAN POLICY CONFERENCE SET FOR JANUARY 14

The Northern Michigan Chamber Alliance will present the 2022 Policy Conference on January 14 in Traverse City.

The conference will be held from 12 p.m. - 4 p.m. with networking and cocktails to follow.



Watch for details to come from the [Northern Michigan Chamber Alliance on Facebook](#) or your member organization.

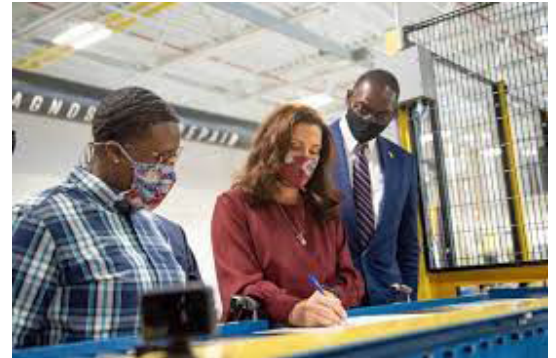
On September 29, Governor Whitmer signed a record-breaking \$70 billion state budget that invests heavily in workforce development, infrastructure, tourism, small business, and childcare.

The \$1.5 billion investment in childcare will include grants for child care providers, increased technical assistance for new or expanding providers, incentives to increase access to infant and toddler child care, and bonus pay for employees.

The income threshold to receive state financial assistance for child care increased from 150 percent to 185 percent of the federal poverty level.

Reimbursement rates for providers will also increase by 30 percent.

Other Alliance priorities include:



- \$55 million for Michigan Reconnect to assist adults age 25 and older to attain a post-secondary credential to find a good-paying job
- \$25 million for the Futures for Frontliners Scholarship program to help frontline workers pursue a college education
- \$40 million to support the Pure Michigan tourism campaign
- \$40 million for Going Pro, a program to assist employers in training individuals for in-demand jobs
- \$14.3 million to help fight coastal erosion
- \$196 million for local governments to repair distressed bridges
- \$71 million (2%) increase in revenue sharing payments to cities, villages, townships, and counties to fund public safety
- \$150 million to support the unemployment insurance trust fund to help reimburse job providers for fraudulent unemployment claims

Child Care Reform Passes House

The Northern Michigan Chamber Alliance has led the way in a bipartisan effort to increase accessibility to childcare in northern Michigan. Due in no small part to these efforts, the childcare reform package, [House Bills 5041-5048](#) passed the house in October with broad bipartisan support.



After years of advocacy with lawmakers and the governor, legislation to ease regulation and provide financial support to child care providers passed the State House of Representatives.

The bill package includes measures to increase capacity at child care facilities, establish support networks for at-home providers, allow providers to operate in multi-use facilities, and give them a 90-day grace period to comply with new health and safety rules. It also eases reporting requirements and publicizes corrective improvements for at-home providers.

The legislation is now under consideration in the Senate Families, Seniors and Veterans committee.

[Legislation](#) to incentivize employers and local governments to develop workforce housing passed the senate with bipartisan support in June.



- [SB 360, 361](#) (Victory) creates a Workforce Housing Tax Credit to incentivize employer support of employee housing by allowing businesses to claim a tax credit equal to 50% of their total contributions to invest in housing

development.

- Passed Senate, awaiting hearing in House Local Government Committee.
- [SB 362](#) (Brinks) allows local governments to create an "attainable housing district" where property owners can apply for partial tax exemptions if they meet certain affordability criteria.
 - Passed Senate, awaiting hearing in House Local Government Committee.
- [SB 364](#) (Moss) expands Neighborhood Enterprise Zone tax incentives to include all Michigan cities, villages and townships, rather than "eligible distressed communities."
 - Passed Senate, awaiting hearing in House Local Government Committee.
- [SB 422](#) (Horn) creates a Residential Facilities Tax Exemption to allow temporary tax abatement on qualified new housing development in districts established by a local government.
 - Passed Senate, awaiting hearing in House Local Government Committee.
- [SB 432](#) (Schmidt) allows local governments to

develop Payment in Lieu of Tax agreements with developers who are building or rehabbing affordable housing units.

- Passed Senate, awaiting hearing in House Local Government Committee.

Vetoed Priorities:

[House Bill 4288](#) would have provided \$190 million in tax savings for "pass-through businesses," or ones organized as partnerships, LLCs, and S-Corporations, for example. Under the bill, these businesses would be able to fully deduct their state and local taxes (SALT) from their federal income

- Vetoed on July 13, Gov. Whitmer said "HB 4288 would require the state to spend nearly \$5 million to implement new IT systems to administer a tax break that would primarily benefit a small number of Michiganders."

[House Bills 4224 and 4225](#) would have provided businesses tax relief for purchases of life-saving PPE. They would have also exempted purchases of PPE from the Sales and Use Tax from the beginning of the COVID-19 pandemic through the end of 2021.

- Vetoed on June 25, Gov. Whitmer said the proposal was crafted as a tax credit, rather than a grant, it made the program ineligible for use of federal relief dollars paid under the American Rescue Plan.

SHORT TERM RENTAL UPDATE

On October 26, the House passed a new version of a pre-emption for local bans on short-term rental properties. HB 4722 (H-11) passed 55-48 and now goes to the Senate for consideration.

The bill says short-term rental properties can't be banned, be subject to a conditional use permit and not be considered a commercial property. Local governments can limit at 30% the percentage of units in within its boundaries that can do short-term rentals.

Governments can also limit the number of short-term rentals a person can rent out at two. It also limits the number of

consecutive days someone can rent a property at 30.

Locals can still regulate noise, advertising, traffic and other conditions that may create a nuisance through an ordinance. It also allows locals to conduct health and safety inspections.

Local government associations and the Michigan Restaurant and Lodging Association remain opposed to the updated bill in large part due to its pre-emption of local government and concerns about fair competition for the hotel industry.

REDISTRICTING UPDATE

The Michigan Information and Research Service (MIRS News) published a brief summary of the 10 proposed draft maps from Michigan's Independent Citizens Redistricting Commission. Districts in northern Michigan have remained largely consistent in all ten proposed draft maps. See the breakdown below.

[State Senate Map 1 – Elm](#)

Seat Split: 19-19

Lopsided Margins: 5.7% in favor of Republicans

Efficiency Gap: 6.2% in favor of Republicans

[State Senate Map 2 – Cherry](#)

Seat Split: 20-18, Democrats

Lopsided Margins: 4.5% in favor of Republicans

Efficiency Gap: 3.4% in favor of Republicans

[State Senate Map 3 – Spruce](#)

Seat Split: 20-18, Democrats

Lopsided Margins: 4.5% in favor of Republicans

Efficiency Gap: 3.1% in favor of Republicans

[State House Map 1 – Peach](#)

Seat Split: 55-55

Lopsided Margins: 6.3% in favor of Republicans

Efficiency Gap: 6.4% in favor of Republicans

[State House Map 2 – Oak](#)

Seat Split: 56-54, Republicans

Lopsided Margins: 6.8% in favor of Republicans

Efficiency Gap: 7.4% in favor of Republicans

[State House Map 3 – Pine](#)

Seat Split: 56-54, Democrats

Lopsided Margins: 5.8% in favor of Republicans

Efficiency Gap: 5.7% in favor of Republicans

[Congressional Map 1 – Apple](#)

Seat Split: 7-6, Democrats

Lopsided Margins: 4% in favor of Republicans

Efficiency Gap: 1.3% in favor of Republicans

[Congressional Map 2 – Birch](#)

Seat Split: 7-6, Democrats

Lopsided Margins: 4.1% in favor of Republicans

Efficiency Gap: 0.7% in favor of Republicans

[Congressional Map 3 – Maple](#)

Seat Split: 7-6, Democrats

Lopsided Margins: 4.1% in favor of Republicans

Efficiency Gap: 0.8% in favor of Republicans

[Congressional Map 4 – Juniper](#)

Seat Split: 7-6, Democrats

Lopsided Margins: 4% in favor of Republicans

Efficiency Gap: 0.8% in favor of Republicans



JOIN US!

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PETOSKEY • TRAVERSE CITY • MANISTEE • MARQUETTE

Is your Chamber or Economic Development Organization looking to take a leadership role in advocacy for your community? Join your northern Michigan neighbors and help us carry out our efforts to advance rural-centric business policy for the region. Email henry.wolf@traverseconnect.com to learn more!