



2021 Year-End Legislative Report

Year of Reopening

YEAR-IN-REVIEW
2022 PRIORITIES

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Friends of Retail

EXECUTIVE LETTER



The Best Service On All Fronts

By William J. Hallan
MRA President and
Chief Executive Officer

We're working hard for you every day, whether that's at the Capitol (as you'll read about in this report), offering you the best merchant processing and workers' compensation solutions, or sharing discount programs and information. Our job is to provide the best service to our members on all fronts.

The enclosed report details MRA's 2021 legislative advocacy efforts. Inside, you'll find highlights of the topics MRA focused on in 2021 and what we expect to work on in 2022. There's also a table included that gives a brief overview of the bills we tracked that saw movement last year. A regularly updated version of that table is available on our website on our government affairs news page.

If you have questions about this report, legislation, or need help dealing with a state agency don't hesitate to Ask Us First by calling 800.366.3699 or emailing askusfirst@retailers.com.

BOARDS & TEAMS

MRA Board of Directors

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2021 Quick Stats

LEGISLATIVE FOCUS

MRA REVIEWED
2,836
BILLS & RESOLUTIONS

1,664 HOUSE BILLS
796 SENATE BILLS
376 RESOLUTIONS

168

PUBLIC ACTS
SIGNED INTO LAW
(FEWEST SINCE 1960)

36

VETOES
(VS 54 IN 2020)

398

TRACKED BILLS

28 SIGNED / 7 VETOED
7 RESOLUTIONS ADOPTED

356 CONTINUING IN 2022

COVID FOCUS



ISSUED ON GATHERING
LIMITS AND FACE COVERING
REQUIREMENTS



BACK TO NORMAL
PLANS



VACCINE
ROLL OUT PHASES

COMMUNICATIONS FOCUS



20 WEEKLY EMAIL
UPDATES
SENT TO
MEMBERS



17 COVID-
RELATED
EMAIL
UPDATES



29 LEGISLATIVE
AUDIO UPDATES
SHARED WITH
MEMBERS

ADVOCACY FOCUS

24 HOURS
SPENT SERVING ON
MIOSHA'S PERMANENT
COVID RULES ADVISORY
COMMITTEE



158
COMMITTEE
MEETINGS
ON RETAIL LEGISLATION



88 MEETINGS
WITH LEGISLATORS



INTRO-
DUCED **28**
NEW LAWMAKERS
TO RETAIL ISSUES



27
MEETINGS
WERE HELD
VIRTUALLY

THANK YOU
TO OUR
SPONSORS!



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1ST EVER
VIRTUAL STATE OF
THE STATE ADDRESS
IN MICHIGAN'S
HISTORY

2021 In Review



MRA Board Member Bill Golden who owns Golden Shoes in Traverse City and MRA's Amy Drumm talk with Rep. Matt Hall (R-Marshall) at MRA's Oct. 26 legislative reception.

If 2020 was the year of fighting off and figuring out COVID regulations, 2021 was the year of finally peeling much of the state-specific guidance back. That focus on regulatory work meant that there wasn't a lot of movement on legislative items, though we laid the groundwork for movement in 2022.

A key frustration in 2021 was the continued power struggle between the Democratic governor and the Republican-controlled legislature. Vetoes of bipartisan and often unanimous legislation became the norm during the spring and summer while budget negotiations stalled. Several items that would have helped retailers fell victim to politically motivated vetoes like a bill to provide a sales tax refund for taxes paid on disinfecting products and protective equipment. There were also attempts to limit epidemic orders, reduce MIOSHA fines, and to end the federally-funded pandemic unemployment benefits early – all which were vetoed by Gov. Whitmer.

The only controversial effort that prevailed was a voter-driven initiated law, referred to as Unlock Michigan, which repealed the 1945 Emergency Powers of the Governor Act that Gov. Whitmer used to issue executive orders in 2020. Since negotiations remained strained, 2021 resulted in having the fewest number of bills signed in over 60 years.

Our primary victory was preventing MIOSHA COVID-19 workplace safety standards from becoming a permanent rule. The administration attempted to fast-track this rule making effort in the spring. MRA had a seat at the table to dissuade them from moving forward or at the very least ensure the rules would be flexible enough to follow the rapidly evolving CDC guidance. It took a deal cut by the Republican-controlled legislature to scrap the proposed rule making effort. This also resulted in removal of all capacity restrictions, health screening requirements, and mandatory quarantine periods.

2022 presents its own challenges as we shift from state and local COVID regulations to federal OSHA mandates and enter a highly charged election year. The election will be heightened by the newly-drawn redistricting maps. Many lawmakers hoping to return in 2023 find themselves drawn into districts with one another or a district they cannot win.



Kim Walz with Walgreens (Left) and Jared Holt with Home Depot (Right) talk to Rep. Samantha Steckloff (D-Farmington Hills) about Organized Retail Crime at the Michigan Capitol.

SEE MORE!

Check out the list of the **2021 TOP RETAIL LAW CHANGES** on the back cover!

COVID-19 Timeline

2020

Nov. 18

Retail capacity restricted to 30% under MDHHS epidemic order

Dec. 29

Pharmacy flexibilities including emergency 60-day refills codified under P.A. 324 (SB 920) remains in effect as long as there is a COVID epidemic order in place

March 5

Retail capacity increased to 50% capacity under MDHHS epidemic order

April 1

Emergency 60-day refills of non-controlled substance prescriptions ends

May 20

State budget agreement reached that includes ending the effort to create permanent COVID-19 emergency rules under MIOSHA

June 1

Retail capacity limits removed under MDHHS epidemic order

June 22

Epidemic orders on face covering requirements, contact tracing at food establishments rescinded. MIOSHA emergency rules rescinded, state aligns with OSHA ETS on healthcare only

Nov. 5

OSHA publishes ETS on testing/vaccination requirements for workplaces with 100+ employees

Dec. 17

U.S. 6th Circuit Court of Appeals lifts stay on the OSHA ETS vaccine/testing mandate, OSHA issues new "good faith" compliance deadlines

2022

Jan. 7

SCOTUS hears oral arguments on OSHA vaccine/testing ETS and CMS healthcare worker vaccine requirement

Jan. 13

U.S. Supreme Court issues stay on OSHA ETS. The requirement remains on hold until the U.S. 6th Circuit rules on the merits of the case.

Jan. 26

OSHA withdraws its vaccine and testing ETS.

Wins for Michigan Retailers in 2021

Defeating permanent COVID workplace safety rules



In the spring, the Michigan Occupational Safety and Health Administration (MIOSHA) set on a course to make the emergency rules regarding COVID-19 imposed on businesses permanent. These emergency rules were quickly thrown together in October 2020 from executive orders after the Michigan Supreme Court ruled the governor's executive orders were

invalid. Drafted hastily, many were not appropriate for MIOSHA to enforce and were too rigid to adapt to the evolving CDC guidance.

The administration was on a course to fast-track this rulemaking effort. MRA was appointed a seat at the table to try and dissuade MIOSHA from adopting permanent rules (which are incredibly inflexible and often take years to modify through the formal rule making process). We argued fiercely against labor representatives that if the state continued rulemaking, the rules should be general and flexible enough to follow the rapidly evolving CDC guidance.

It took the Republican-controlled legislature's involvement to scrap the proposed rule making and peel back all capacity restrictions, health screening requirements and mandatory quarantine periods. This allowed employers to more easily follow the CDC's recommendations and to set their own policies if they wished to be stricter. The rulemaking effort was scrapped in May, the same week a hearing was set on the draft rules. The existing emergency rules and capacity limit restrictions issued via epidemic orders were lifted on June 22.

Commercial PPT exemption threshold increase

HB 5351, Public Act 150 of 2021 (effective Dec. 31, 2022)

Michigan's personal property tax (PPT) levies a local property tax on tangible assets like computers, desks, and equipment located inside businesses. In 2013, a law passed to exempt PPT if the true cash value was less than \$80,000. The \$80,000 threshold was



calculated based on the processing cost for the local government to break even. Businesses under the threshold only have to file annual exemption paperwork. In a bit of a December surprise, the legislature negotiated increasing this threshold to \$180,000 beginning for tax year 2022. The property tax change was connected to the creation of a new \$1 billion economic development fund designed to lure large industrial projects to Michigan.

Logical tax changes

Cigar tax cap: HB 4485, Public Act 102 of 2021 (effective Nov. 4, 2021)

Several tax changes that had been in discussion for a few years were finally accomplished in 2021. A deal between the Republican legislature and Democratic governor allowed the 50-cent per cigar tax cap to remain in place permanently, removing the existing Oct. 31, 2021 sunset, in order to eliminate the sales and use tax on feminine hygiene products. The cigar tax cap is important to keep Michigan cigar retailers competitive with out-of-state, online retailers. While a law was passed last year to require online entities to only sell tobacco products purchased from a licensed wholesaler or acquirer, keeping the per cigar tax competitive is still important.



Feminine hygiene products: HB 5267 and SB 153, Public Acts 108-109 of 2021 (effective Feb. 3, 2022)

Starting Feb. 3, 2022 feminine hygiene products will be exempt from the state's sales and use taxes. The law takes effect 90 days after it was signed to give retailers time to identify which products meet the tax exemption status and to update their POS systems. At MRA's request, the Michigan Department of Treasury released guidance to help retailers prepare.

SALT parity: HB 5376, Public Act 135 of 2021 (effective Dec. 20, 2021)

Lastly, legislation that restores tax parity between large C-corporations and smaller "pass-through" businesses as a result of the 2017 Tax Cuts and Jobs Act on deductions of state and local taxes (SALT) passed this winter after initially being vetoed earlier in the year. The new law allows businesses to fully deduct taxes regardless of the type of business and aligns Michigan with federal tax law.

The “Redistricting Wrench”

Current Political Landscape

■ Denotes Term Up in 2022

- **Governor:** Democrat (Gretchen Whitmer)
- **Attorney General:** Democrat (Dana Nessel)
- **Secretary of State:** Democrat (Jocelyn Benson)
- **Michigan Supreme Court:** Democrat majority (4-3)
(two seats up in 2022, both held by Republicans)
- **House:** 110 members (55-51 Republican majority, four vacancies)
 - Subject to three 2-year terms
- **Senate:** 38 members (22- 16 Republican majority)
 - Subject to two 4-year terms
- **U.S. Senate:** Both democrats
- **U.S. Congress:** 14 members (7-7 even party split)

A Highly Charged Election Year

2022 will likely be a highly charged election year, heightened by the newly-drawn redistricting maps created by the voter-approved Independent Citizens Redistricting Commission. Every ten years states must redraw political maps using the most recent census data. The commission was tasked with following the federal Voting Rights Act requirements while also creating more “competitive” districts and more “compact” district shapes. All of which is more difficult than it appears which partially caused a delay in the Commission’s release and approval of maps until almost the end of December 2021.

Some of these maps may be challenged in court, particularly the Michigan Senate map is likely to be challenged the most based on the requirements for minority-majority districts. All three maps significantly reduce the number of Black-majority districts in the state. The congressional map and state senate map have no Black-majority districts (down from the current two congressional districts and five state senate districts) and the state house map has seven (down from the current 12).

2022 Michigan

Congressional Seats

The “Chestnut” congressional map seemingly creates six Republican-leaning seats, four Democratic-leaning seats and three highly competitive seats. Ten of the existing incumbents were drawn into competing districts but only four are expected to face off against each other. The new 10th congressional district is an open seat without an incumbent.



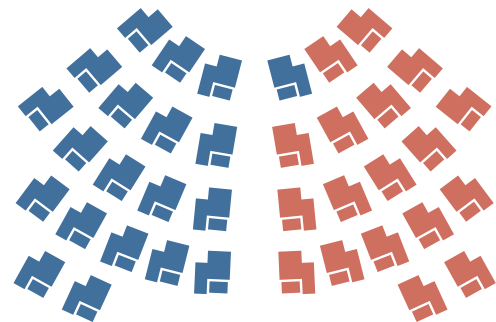
13 seats total

- Lean Democrat seat (4)
- Competitive/toss-up seat (3)
- Lean Republican seat (6)

2022 Michigan

Senate

The “Linden” state senate map is the most troubling of the three maps and most likely to be changed based on a potential court challenge for voting rights act violations. Based on 2020 election results, the “Linden” map would create 20 democratic seats and 18 republican seats which is giving democrats hope they could be competitive in taking back control of the senate which has been held by republicans since 1984. There are seven term-limited senators, another has announced he’s running for congress, and at least nine returning senators were drawn into districts where they will have to move or face another incumbent.



20 seats needed for a majority.

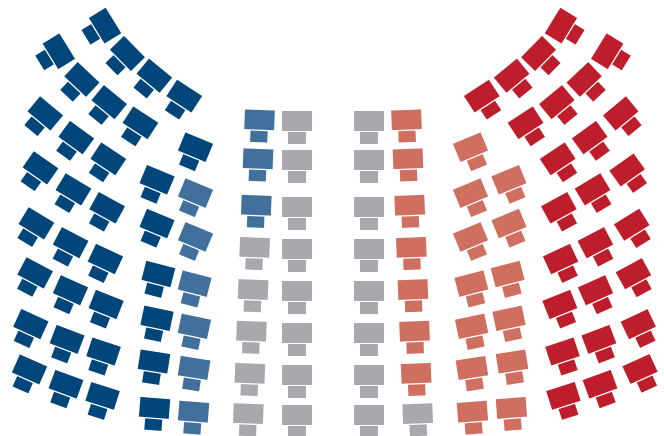
- Lean Democrat seat (20)
- Lean Republican seat (18)

2022 Michigan

House of Representatives

The “Hickory” state house map likely favors republicans who have 26 safe seats plus 20 lean republican seats for a total of 46 republican seats on the hickory map. Democrats have 33 safe seats plus nine lean democratic seats for a total of 42 seats. Another 22 seats are considered toss up districts and 16 of these do not have a current incumbent lawmaker who can run for reelection. There are 37 term-limited representatives, plus four current vacancies, and at least 14 returning reps were drawn into districts where they will have to move or face another incumbent. Republicans have held a majority in the Michigan House of Representatives for all but four of the last 23 years. Democrats most recently held a majority in the House from 2007-2010.








Several lawmakers hoping to return in 2023 find themselves drawn into districts with one another or have had their district redrawn in a way they cannot feasibly win. Now comes a great shuffle as elected officials move and jockey to win the new districts. Combined with Governor Whitmer being up for reelection along with other state-wide elected seats of attorney general, secretary of state and seats on various education boards, and it being President Biden’s first mid-term election cycle, it’s bound to be an interesting year.











56 seats needed for a majority.

- Safe Democrat seat (33)
- Lean Democrat seat (9)
- Competitive/toss-up seat (22)
- Lean Republican seat (20)
- Safe Republican seat (26)

2021 TRACKED RETAIL LEGISLATION

| BILL # | BILL SUBJECT/DESCRIPTION | ACTION IN HOUSE OF ORIGIN | ACTION IN SECOND HOUSE | PUBLIC ACT (EFFECTIVE DATE) | MRA POSITION |
|---------------------|--------------------------|---|--|--------------------------------|--|
| GROCERY/CONVENIENCE | | | | | |
| ALCOHOL | HB 4115 | Alcohol serving hours: Would allow a city, township or village to vote to allow on-premise alcohol sales between 2:00-4:00 a.m. | Passed House 61-47 on 3/18/21 | | Monitoring |
| | SB 656 | Automatic alcohol dispensing machine: A bill that would allow on-premises self-serve dispensing machines for beer, wine or mixed spirits. | Amended, passed Senate 35-1 on 12/1/21 | | Monitoring |
| | HB 4232 | Clerk age to sell alcohol: Would allow a 17-year-old to sell or serve alcohol. | Passed House 64-39 on 12/7/21 | |  |
| | SB 559 | Drinks-to-go/social districts: Extends by one day the sunset for drinks-to-go and social districts, until midnight of New Year's Day of 2025 and 2026, respectively. | Amended, passed Senate 33-2 on 6/24/21 | Passed House 107-1 on 6/30/21 | P.A. 64 of 2021 took effect on 7/13/21  |
| | HB 5090 & 5093 | Drinks-to-go/social districts: Bills that would modify when alcohol can be sold and served in a common area, create an outdoor service area permit and allow social districts to exist permanently. | Amended and passed House 104-1 on 10/21 | |  |
| | HB 4561 | Food establishment license fee refund: A bill to provide for refunds of certain food license fees if there was a 25% or more reduction in revenue during any quarter of the preceding licensing year. | Passed House 97-10 on 6/17/21 | | Monitoring |
| | HB 4557 | Liquor license renewal fees: Legislation that would waive certain renewal fees for 2021. | Passed House 98-10 on 6/17/21 | | Monitoring |
| | SB 141-144 | Mixed spirit drinks and shipments: A bill package allowing distilleries to directly ship mixed drinks to retailers by treating canned cocktails like wine. It also changed the definition of "qualified retailer" to one that is open to the public for face-to-face sales that makes at least 25% of its annual sales in person. | Amended, passed Senate 34-1 on 3/25/21 | Passed House 107-0 on 5/6/21 | P.A. 16-19 of 2021 took effect on 5/25/21 Neutral |
| | SB 125 | Prorated liquor license fees: Legislation to prorate license fees for businesses with club licenses who were closed due to executive order. | Passed Senate 35-0 on 3/24/21 | | Monitoring |
| | HB 5322-5323 | Sales/use tax exemption for wholesalers: Bills that would include a purchase license number issued by MLCC as enough information to avoid needing to separately claim a sales and use tax exemption. | Amended, passed House 102-0 on 1/4/21 | | No position |
| | HB 4842 | Small distiller commission sales: Legislation that would create a qualified small distiller program for small distillers using 40 percent or more Michigan-grown products to make alcohol. | Passed House 90-17 on 6/30/21 | | Monitoring |
| TOBACCO/VAPING | HB 4485 | Cigar tax cap: Eliminated the current Oct. 31, 2021 sunset capping cigar taxes at no more than 50 cents per individual cigar making the cap permanent. | Passed House 83-25 on 5/18/21 | Passed Senate 28-6 on 10/26/21 | P.A. 102 of 2021 took effect on 11/4/21  |
| | HB 4878 | Synthetic tobacco, tobacco 21: A bill that would amend the Youth Tobacco Act to change the definition of "minor" for purposes of its provisions to mean an individual under the age of 21, prohibit the sale of synthetic or tobacco-free nicotine to an individual under 21 and requires the product packaging to include a disclosure that the product is not regulated by the FDA. | Amended, passed House 105-5 on 6/3/21 | | Monitoring |
| | HB 4249-4251 | Vitamin E Acetate: Would prohibit the sale of vaping products or medical or recreational marijuana products laced with Vitamin E Acetate. | Amended, passed House 108-2 on 6/3/21 | | Neutral |
| OTHER | HB 4443-4444 | Bottle deposit fund distributor reimbursement: A bill to create a new credit against the unclaimed deposits that are returned to the state to reimburse distributors \$0.005 per container sold during the tax year. This reimbursement would happen first from unclaimed deposits then the remaining 75% would go to EGLE for environmental cleanups and 25% would be distributed to retailers. | Amended, passed House 88-20 on 4/27/21 | | Neutral with amendments |
| | HB 4780-4783 | Bottle deposit escheats/fraud: A package of bills that shifts the first \$1 million in escheats to a new bottle bill enforcement fund. Prohibits distributors or retailers selling returnable containers without first originating the deposit on the container. | Passed House 106-4 on 6/3/21 | Passed Senate 36-0 on 12/8/21 | P.A. 139-142 of 2021 took effect on 12/27/21  |
| | SB 178 | Bottle deposit over-redeemer fund: A bill that would allow quarterly payments vs. annual reconciliation to distributors and manufacturers who originate the deposit on containers both as under- and over-redeemers. | Passed Senate 35-0 on 3/10/21 | | No position |
| | HCR 1 | Frontline worker recognition: A resolution to recognize frontline workers for their contributions during the COVID-19 pandemic. | House adopted on 2/11/21 | Senate adopted on 2/11/21 | NA  |
| | SB 230, SB 353-354 | License waiver/discount extension: A multi-bill package to waive food establishment licensing fees and late fees for the May 1, 2021-April 30, 2022 license year and to extend the liquor license 23% discount on uniform prices for on-premises licensees through July 31, 2023. | Amended, passed Senate 20-16 on 4/28/21 & 5/5/21 | | Monitoring |
| | HR 36 & SR 18 | Supermarket Employee Day: A resolution to recognize February 22, 2021 as Supermarket Employee Day in Michigan. | House/Senate adopted on 2/18/21 | NA | NA  |









| BILL # | | BILL SUBJECT/ DESCRIPTION | ACTION IN HOUSE OF ORIGIN | ACTION IN SECOND HOUSE | PUBLIC ACT (EFFECTIVE DATE) | MRA POSITION |
|--------------------------|------------------|---|---|---|--|---|
| HUMAN RESOURCES | | | | | | |
| BENEFITS | SB 501 | Unemployment conditions - registration with MI Works agency: Legislation that would require individuals receiving unemployment benefits register with a Michigan Works agency to demonstrate active work search efforts. | Amended, passed Senate 35-0 on 6/17/21 | Passed House 103-6 on 6/24/21 | P.A. 66 of 2021 took effect on 7/17/21 |  |
| | HB 4434 | UIA plain language/end PUA benefits: A bill that would have required the unemployment agency to use plain language in communications and would have required the state to reject using federal funds for pandemic unemployment benefits. | Amended, passed House 60-49 on 6/17/21 | Amended, passed Senate 19-16 on 6/24/21 |  VETOED on 7/20/21 |  |
| | HB 5092 | UIA plain language: A bill that would require the unemployment agency to use plain language in communications and determinations. | Passed House 109-0 on 6/30/21 | | | Neutral |
| | SB 445 | UIA work search requirement: A bill that would require UIA to waive the search for work requirement for individuals who are covered under section 2102 of the Federal CARES Act. | Amended, passed Senate 35-0 on 6/17/21 | | | Monitoring |
| HIRING PROCESS | HB 5368 | Date of birth information: Legislation that seeks to reverse a court rule that would redact date of birth information on public documents, making it harder for companies to do background checks. | Amended, passed House 69-34 on 11/3/21 | | |  |
| | HB 4063 | Homeschool children work permits: Would have allowed a parent or guardian to issue a child who is educated at home a work permit. | Passed House 98-10 on 5/20/21 | Passed Senate 27-9 on 9/1/21 |  VETOED on 7/20/21 | No position |
| COVID | SR 83 | Mandatory COVID-19 vaccines: A resolution to condemn President Joe Biden's decision to impose vaccine requirements on private employers. | Amended and adopted on 11/10/21 | NA | NA |  |
| PHARMACY | | | | | | |
| CONTROLLED SUBSTANCES | HB 4089 | Etizolam as schedule 1 drug: Legislation that seeks to include etizolam, a benzodiazepine drug used to treat insomnia and anxiety, as a schedule 1 drug. | Passed House 75-34 on 4/29/21 | | | Monitoring |
| DRUG COST | HB 4351- 4352 | Gag clauses and prescription price transparency: Legislation to ensure pharmacies can disclose the price of medication to patients and provide patients the prices for other comparable generic or name brand products. | Amended, passed House 106-1 on 3/24/21 | | | Under review |
| | HB 4347 | Manufacturer drug cost transparency: A bill that would require drug manufacturers to file reports to the state on drugs with a wholesale acquisition cost of \$500 or more for a 30-day supply if the price increases 15% or more in a year or 40% or more over three years. | Amended, passed House 100-7 on 3/24/21 | | | Under review |
| | HB 4348 | PBM regulation: A bill that would add new regulations on Pharmacy Benefit Managers (PBMs) including registration with the state and quarterly transparency reports. It would also ban spread pricing and prohibit retroactive fees on pharmacies. | Amended, passed House 97-10 on 3/24/21 | | |  |
| TECHNOLOGY | HB 4659 | E-prescribing exemptions: Adds two new exemptions to Michigan's e-prescribing law to include prescribers who directly dispense prescriptions to patients in their office and home-based dialysis treatment medications. | Passed House 109-0 on 6/30/21 | Passed Senate 35-0 on 10/14/21 | P.A. 94 of 2021 took effect on 10/28/21 | Neutral |
| OTHER | SB 155-156 | Emergency insulin refills: Allows a pharmacist to dispense and insurers to cover an emergency supply of insulin (up to a 30-day supply) to a patient with a prescription that is out of refills. | Amended, passed Senate 34-0 on 4/22/21 | Passed House 109-0 on 6/10/21 | P.A. 36-37 of 2021 took effect on 7/1/21 | No position |
| | HB 4558 | Health license fees credit: A bill that would offer a credit or prorated fee for a license or registration if that the licensee was unable to practice as a result of a declared state of emergency. | Amended, passed House 100-10 on 6/17/21 | | | Monitoring |
| | SB 412 | Medicaid prior authorization prescription drugs: Legislation that would provide exemption of HIV and Tardive dyskinesia drugs from the MDHHS Medicaid prior authorization process. | Amended, passed Senate 36-0 on 9/29/21 | | | Monitoring |
| | SB 166 | Mid-level prescribers: The bill would allow Michigan pharmacists to fill non-controlled substance prescriptions written by mid-level prescribers licensed in other states and Canada. | Passed Senate 34-0 on 3/24/21 | | |  |



FOLLOW ALONG ONLINE!

Pages 8-11 is just a highlight. Our complete and up-to-date bill tracker is on our website. Find it under the Advocacy Tab on the right hand side of the Government Affairs News page.

2021 TRACKED RETAIL LEGISLATION

| BILL # | BILL SUBJECT/ DESCRIPTION | ACTION IN HOUSE OF ORIGIN | ACTION IN SECOND HOUSE | PUBLIC ACT (EFFECTIVE DATE) | MRA POSITION |
|-------------|---------------------------|--|--|---|---|
| REGULATIONS | | | | | |
| SALES | HB 4382 | Smoke detectors: Legislation that would prohibit the sale of smoke detectors powered only by removable and replaceable batteries after April 1, 2022. | Amended and passed House 89-20 on 4/27/21 | | Neutral as amended |
| | HB 4029 | Stun guns: Legislation that would allow the purchase and possession of stun guns by individuals over age 21. | Passed House 78-32 on 4/14/21 | | Monitoring |
| | SB 134 | Synthetic urine: A bill that would prohibit the manufacture, sale or distribution of synthetic urine designed as a drug masking agent. | Amended, passed Senate 33-1 on 4/21/21 | | Monitoring |
| COVID | HB 4667 | COVID-19 vaccination passport: Legislation that would prohibit the state from entering into a contract with a person to produce or issue a COVID-19 vaccination passport. | Amended, passed House 62-47 on 6/2/21 | | Monitoring |
| | SB 1 | Epidemic orders time limits: Legislation that would have limited epidemic orders to 28-days or less. Extensions could be approved by the legislature. | Passed Senate 20-15 on 3/2/21 | Passed House 59-50 on 3/9/21  VETOED on 3/24/21 | No position |
| | SB 257 | Epidemic orders scope: Legislation that would prohibit epidemic orders issued by MDHHS from impacting in-person dining, family gatherings or attendance by family members at sporting events. | Amended and passed Senate 20-15 on 3/23/21 | | Monitoring |
| | SB 428 | Face masks for children under five: A bill that would prohibit a state order that requires children less than 5 years old to wear a face mask. | Passed Senate 20-15 on 5/13/21 | | Monitoring |
| | HB 4501 | MIOSHA fines: Legislation that would have prohibited MIOSHA from assessing a COVID-19 related fine if it's a first violation and if the business takes steps to address and correct the violation. | Passed House 74-34 on 5/25/21 | Passed Senate 19-16 on 11/2/21  VETOED on 11/10/21 |  |
| | SR 59 | MIOSHA fines forgiveness: A resolution to urge the forgiveness of all fines and fees imposed on and the end to all prosecutions brought against businesses for violating COVID-19 orders or rules. | Senate adopted 19-16 on 6/10/21 | NA |  |
| | SB 250 | Reopening standards for restaurants/event spaces: Legislation that would essentially codify the Michigan Restaurant and Lodging Association's reopening plan based on case positive percentages, etc. | Amended, passed Senate 20-15 on 3/25/21 | | Monitoring |
| | Initiated Law 1 of 2021 | Unlock Michigan - repeal 1945 Emergency Powers Act: A voter-initiated petition that repealed the 1945 Emergency Powers of the Governor Act used in 2020 to issue executive orders. | Passed Senate 20-15 on 7/15/21 | Passed House 60-48 on 7/21/21 Initiated Law 1 of 2021 (March 2022) | No position |
| | SB 457 | Vaccinations for minors: A bill that would prohibit the MDHHS Director, or a local health officer, from issuing an emergency order that requires a minor to receive a vaccination for COVID-19. | Passed Senate 20-16 on 5/25/21 | | Monitoring |
| TECHNOLOGY | HB 5026 | 9-1-1 fee increase/extension: Legislation that modified the 9-1-1 fees required to be collected at the point of sale on prepaid cell phones from 5% to 6%, extended the fee to online transactions, allows audits, and extended 9-1-1 fee collection for another 6 years. | Amended and passed House 99-6 on 10/28/21 | Passed Senate 36-0 on 11/30/21 P.A. 126 of 2021 took effect on 12/15/21 | Neutral with amendments added |
| | HB 4801-4802 | EV charging stations: A package of bills that would provide registration and licensing procedures on EV charging stations. | Amended, passed House 85-18 on 10/19/21 | | Monitoring with concerns |
| | HB 5294 | Third-party state transaction disclosure modification: A bill to adjust P.A. 46 of 2021 by adding language about third party sites charging a fee or requiring customer to disclose personal information. | Passed House 98-7 on 11/10/21 | | Neutral |
| | HB 4015 | Third-party state transaction disclosure: Legislation that requires any website issuing state licenses to clearly disclose the website as a third-party and include a link back to the state's official page. | Amended, passed House 102-7 on 2/24/21 | Amended, passed Senate 35-0 on 6/16/21 P.A. 46 of 2021 will take effect 3/29/22 | Neutral |
| ENVIRONMENT | HB 4272 | Gas cans: A bill that would have allowed the labeling and use of gas cans in Michigan that are only used in Michigan and that are not compliant with emissions standards under 40 CFR part 59 subpart F related to interstate usage. | Passed House 75-34 on 4/20/21 | Passed Senate 20-16 on 9/1/21  VETOED on 9/10/21 | No position |
| | HB 4454-4461 | Solid waste and recycling reforms: A package of bills referred to as Part 115 recycling and solid waste legislation includes updates to improve Michigan's solid waste, composting, and recycling policies. | Amended, passed House on 4/22/21 | |  |
| OTHER | HB 4787 | Commercial drivers: Legislation that allows someone with military commercial motor vehicle experience to skip the required state driving test to get a commercial driver's license. | Passed House 107-0 on 6/24/21 | Passed House 103-0 on 12/14/21 P.A. 148 of 2021 took effect on 12/27/21 |  |
| | SR 89 | Commercial drivers: A resolution to urge the federal government to allow persons under the age of 21 to operate commercial vehicles on interstate routes. | Senate adopted on 11/10/21 | NA |  |
| | HB 4075-4076 | Disabled parking signs: Legislation that would update the design of disabled access signs (parking signs etc.) to include the new international symbol of access and require businesses to use the new design when replacing signs. The new design would replace handicapped signs, must not use the term handicapped, and must include instruction such as "reserved." | Passed House 101-2 on 10/6/21 | | Monitoring |
| | HB 4256 | Service animals in training: A bill to require places open to the public including retail shops and restaurants to modify its policies to permit the use of a service animal by a trainer. | Passed House 94-14 on 5/27/21 | | Monitoring |

| BILL # | BILL SUBJECT/DESCRIPTION | ACTION IN HOUSE OF ORIGIN | ACTION IN SECOND HOUSE | PUBLIC ACT (EFFECTIVE DATE) | MRA POSITION |
|--------------|--|---|--|--|------------------------------|
| TAXES | | | | | |
| SALES TAX | HB 5080-5081 Delivery & installation: Legislation that would exempt delivery and installation for sales and use taxes. | Amended, passed House 69-34 on 10/19/21 | | | |
| | HB 5267, SB 153 Feminine hygiene products: Legislation that exempts feminine hygiene products from the state's sales and use taxes. | Amended, passed the House 94-13 on 10/14/21 | Passed Senate 32-2 on 10/26/21 | P.A. 108-109 of 2021 will take effect Feb. 3, 2022 | Support with amendment added |
| | HB 4224-4225 PPE purchase rebate: Legislation that would have created a rebate for sales/use tax paid by businesses on PPE including plexiglass and disinfecting products purchased between 3/10/20 and 12/31/21. | Amended, passed House 104-6 on 3/3/21 | Passed Senate 36-0 on 4/20/21 | VETOED on 6/25/21 | |
| | HB 4976-4978 Streamlined motor fuel treatment: A package of bills that would exempt motor fuel tax reciprocity agreements from streamlined sales and use tax agreements and the international fuel tax agreement. | Amended, passed House 101-1 on 11/4/21 | | | Under review |
| PROPERTY TAX | SB 698 Personal property tax location during COVID: Legislation that simplifies personal property taxes for 2021 by assuming the location of that property in 2021 was the same as it was on Dec. 31, 2019. | Passed Senate 35-0 on 11/10/21 | Passed House 102-0 on 12/9/21 | P.A. 164 of 2021 took effect on 12/27/21 | |
| | HB 5351 Personal property tax threshold: Legislation that modifies the small business personal property tax exemption and increases the threshold from \$80,000 to \$180,000 beginning December 31, 2022. | Amended, passed House 58-46 on 12/8/21 | Amended, passed Senate 21-15 on 12/14/21 | P.A. 150 of 2021 takes effect on 12/31/22 | |
| INCOME TAX | SB 360 Credit for employer-assisted housing: A bill that would provide an income tax credit to employers that offer employer-assisted housing. | Amended, passed the Senate 29-6 on 6/17/21 | | | |
| | HB 4712 Michigan business tax credit deadline: Legislation that extends the tax credit deadline for project development by petitioning MEDC for further amendments. | Amended, passed House 87-21 on 8/17/21 | Passed Senate 29-7 on 10/13/21 | P.A. 93 of 2021 took effect on 10/28/21 | No position |
| | SB 393 Property tax credit: A bill that would provide for a credit for property taxes paid for certain businesses affected by pandemic. | Amended, passed Senate 19-16 on 6/9/21 | | | |
| | HB 4288 SALT parity: Legislation that would have restored tax parity between large C corporations and smaller "pass-through" businesses as a result of the 2017 Tax Cuts and Jobs Act. The bill would allow businesses to fully deduct taxes regardless of the type of business. | Amended, passed House 88-18 on 5/13/21 | Passed Senate 29-6 on 6/23/21 | VETOED on 7/13/21 | |
| | HB 5376 SALT parity re-do: Legislation that restored tax parity between large C corporations and smaller "pass-through" businesses as a result of the 2017 Tax Cuts and Jobs Act. The bill allows businesses to fully deduct taxes regardless of the type of business. | Amended and passed House 105-2 on 10/14/21 | Amended and passed Senate 34-2 on 12/14/21 | P.A. 135 of 2021 took effect on 12/20/21 | |
| | HB 4569, HB 4571 Tax deadline extensions: Bills that extend 2020 individual state income tax returns filing deadline to May 17, 2021; city income tax returns to May 17 or June 1, 2021. | Amended, passed House 108-1/109-0 on 4/13/21 | Passed Senate 35-0 on 4/20/21 | P.A. 7-8 of 2021 took effect on 4/22/21 | |
| OTHER | | | | | |
| TOURISM | HB 4052 Daylight Savings Time: A bill that would switch Michigan to Daylight Savings Time year-round if congress allows states to choose and if our neighboring states (IL, IN, OH, PA, and WI) also observe DST year-round. | Amended, passed House 87-22 on 4/27/21 | | | Neutral |
| OTHER | SB 507-509 Driver license/ID/registration extension: A package of bills that provide for the additional extension of renewal date by 120 days for state identification cards, enhanced and regular driver licenses and vehicle registrations that would have or will expire between March 31 and Aug. 1, 2021. | Amended and passed Senate 25-10/32-3 on 6/10/21 | Amended and passed House 95-14 on 6/30/21 | P.A. 71-71 of 2021 took effect on 7/29/21 | No position |

Michigan Legislation to Law Steps



Legislative Priorities for 2022



MRA Board Member Bill Golden who owns Golden Shoes in Traverse City (Right) talks with Sen. Curt Vanderwall (R-Ludington) at MRA's Oct. 26 legislative reception.

Reduce organized retail crime in three ways

HB 5485-5487 and SB 691

MRA had some great discussions with policymakers in 2021 on efforts to reduce organized retail crime and there are three steps we're pursuing to meet that goal. We're working with Attorney General Nessel's office to create a Business Protection Unit and an Organized Retail Crime Task Force to ensure law enforcement and retailers share information and work closely together. Michigan already has an Organized Retail Crime Advisory Board but the task Force will be able to share more detailed information and won't be subject to the open meetings act. MRA is working with the administration and legislature to secure some federal funds for the creation of this unit. The expectation is the unit will be able to use forfeiture to fund itself going forward.

To make forfeiture easier while adding further deterrents and penalties for Organized Retail Crime (ORC) violations. MRA worked with Sen. Jim Runestad (R-White Lake) to introduce SB 691. This bill would add the crime of ORC to the racketeering statute. This would allow for additional penalties to strengthen ORC laws. We're also working with a bipartisan group of lawmakers in the House on HB 5485-5487 to include some verification tools for third-party vendors selling on online marketplaces and to include more reliable ways to report/remove suspicious listings. These changes should be reasonable and not overly burdensome while providing law enforcement an opportunity to follow up using reliable information.

Make certain COVID flexibilities permanent

Still in the drafting stages, MRA is working with lawmakers to make the temporarily granted pharmacy flexibilities under Public Act 324 of 2020 permanent. Like most things involving the Michigan Public Health Code, nothing is as easy as it seems. To make the changes properly, several sections of the law need to be opened and revised, which is taking some time to draft. Combined with frequent staffing changes in legislative offices, this has taken longer to get ready than originally expected. Fortunately, PA 324 of 2020 retains these flexibilities so long as any state health department issued epidemic order on COVID is in place. Several are in place and will likely remain in place regarding testing, healthcare settings, and long-term care facilities for the time it will take to get these changes introduced and approved.

Reforms to the bottle deposit law

MRA has had serious conversations with grocery members, policymakers and other stakeholders about the need to consider some reforms to the state's bottle deposit law. While our grocers know our first-choice would be repeal, COVID has given us an opportunity to make headway on some much-needed reasonable reforms on store-level flexibility around cleaning and staffing challenges while seeking investment in community infrastructure to reduce volume in stores. This 46-year old law is archaic and frustrates nearly everyone from retailers and distributors to environmentalists and recyclers. Lots of ideas are on the table and we're reaching for the sky in terms of improvements to help make a bad law less difficult in the short term and set the stage for a new way of recycling these containers in the future.



Scenes from MRA's Oct. 26 Legislative Reception. (Left) Rep. Bradley Slagh (R-Zee-land) speaks with Andrew Martin from Meijer.



I've Read This Report, Now What?

Reach out to us for help in dealing with state regulators and the legislature.



1. Use it

Update your systems, policies and procedures to stay compliant with current laws and regulations.



2. Share it

Tell your employees and share information with a neighboring store on items that might impact both of your businesses. Encourage them to get engaged.



3. Tell us

Let us know what requirements and regulations keep you up at night. We may not know the challenges you're facing until you tell us. We can help cut through the red tape to get you answers and work on making changes to laws and regulations.



4. Weigh in

Connect with your elected officials – they WANT to hear from you and we promise they don't bite. Your input will help them be more informed and prepared when it's time for them to vote on legislation impacting retail stores like yours. Here are a few ways to connect with them:

- Visit their coffee hours.
- Invite them to tour your store.
- For more ideas visit our Take Action page under the Advocacy tab on retailers.com.



5. Stay in the know

We share a lot of information in a variety of ways to keep members updated. You can find information:

- On our website (check out our Advocacy tab on retailers.com).
- On our Facebook page.
- In your email inbox (and important news alerts and reminders).
- By listening to our regular, legislative audio update.
- By following along with our bill tracker.



6. Chip in

Consider making a contribution to MRA's PAC or Advocacy Fund. Donation forms are available on our website

- MRA PAC helps support lawmakers and candidates who understand the unique challenges that retailers face every day. MRA PAC can only accept personal contributions.



We're here to help you!

Our goal is to make it easy for you to stay informed without having to be at the Capitol every day. If there's something we can do to make it easier for you to stay informed, please let us know!

If you have questions or want to know more about how you can get involved with our advocacy efforts, contact MRA's Amy Drumm, Senior Vice President, Government Affairs, at 800.366.3699 or adrumm@retailers.com.

TAKING STOCK IN RETAIL'S ECONOMIC IMPACT IN MICHIGAN

CLICKS TO BRICKS

BACKGROUND NUMBERS

IN 2020, MICHIGAN HAD APPROXIMATELY

122,000

RETAIL ESTABLISHMENTS.



MICHIGAN'S RETAIL INDUSTRY
DIRECTLY EMPLOYED ABOUT

758,000

WORKERS



And
PAID THEM
Nearly \$23 BILLION

(BLS 2021, U.S. CENSUS BUREAU 2020)



HOWEVER

MORE MICHIGANDERS
BUY ONLINE
THAN EVER BEFORE.

TOTAL E-COMMERCE AND REMOTE PURCHASES NATIONALLY
INCREASED 2.9% IN 2020



BUYING ONLINE AMID THE
COVID-19 PANDEMIC

has given customers
access to e-commerce
and other remote sales
and has been
CRITICAL
for many Michigan
retailers.

WITHOUT THIS ABILITY, MORE MICHIGAN RETAILERS WOULD LIKELY
NOT SURVIVED
THE PANDEMIC.

BECAUSE RETAILERS
ADJUSTED
TO ALTERNATE WAYS OF
SELLING
SUCH AS



ONLINE

SOCIAL MEDIA

PHONE

they were able to maintain support
for their businesses during difficult
circumstances.

NEED MORE
bottled
water

toilet paper
face masks
hand sanitizer
chocolate...



SHOPPING LOCAL...

SPENDING YOUR DOLLARS
\$\$\$

LOCALLY

CREATES NEW JOBS IN
MICHIGAN



DIRECT EMPLOYMENT
IN THE RETAIL SECTOR IN MICHIGAN
DECLINED

14% BETWEEN 2017 & 2020

with most losses occurring in 2020,
reflecting the impact of the
COVID-19 pandemic.

RETAILERS
INDIRECTLY EMPLOY
TENS OF THOUSANDS

THROUGH THEIR PURCHASES
of goods and services.

For Example
Retailers hire cleaning services, security staff, attorneys,
and accountants. The spending of these directly and
indirectly employed in their communities provides
EVEN MORE JOBS.

THE DECLINE NEGATIVELY
IMPACTS COMMUNITIES
BECAUSE RETAILERS ARE
IMPORTANT EMPLOYERS
AND ECONOMIC CONTRIBUTORS.



PLEASE!
COME
IN

THIS SMALL CHANGE COULD HAVE A BIG IMPACT

IT WOULD
INCREASE EMPLOYMENT
IN MICHIGAN BY MORE THAN

14,000 NEW JOBS



IN ADDITION TO
RETAIL

- REAL ESTATE
- EMPLOYMENT SERVICES
- WAREHOUSING & STORAGE
- RESTAURANT
- HOSPITAL

SECTORS WOULD ALL SEE AN
INCREASE IN TOTAL EMPLOYMENT.

IT WOULD
INCREASE LABOR INCOME

\$533

MILLION
AND MICHIGAN
WOULD GAIN

\$1.9

BILLION
IN INCREASED ECONOMIC ACTIVITY.



Get more visibility and support in Lansing!

MRA's Advocacy Fund enhances MRA's lobbying efforts to support retail in Michigan.



Amy Drumm, MRA's Vice President of Governmental Affairs, testifies on behalf of Michigan's Retailers.



TO CONTRIBUTE

Contributions to the fund can be made from business accounts and written off as a business expense. To contribute, please send a check made payable to "MRA." In the notes line, indicate "MRA Advocacy Fund." Contributions should be sent to Amy Drumm's attention.

Put us to work for you!

Let the nation's largest state retail association fight for your business.



Advocacy in the Legislature



Buy Nearby & shop local promotions



Credit card processing



A range of insurance offerings



Shipping discounts



"Ask Us First" Hotline

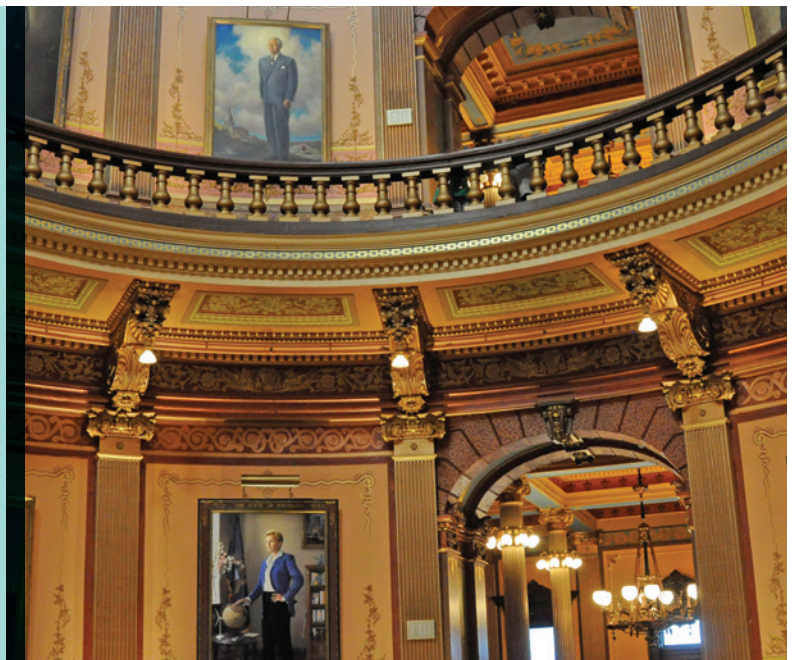


Free labor law posters

Call us today!
800.366.3699

Support Michigan Retailers PAC and protect your interests.

Contact Amy Drumm at
517.372.5656
800.366.3699
or download a contribution form online at:
retailers.com/advocacy/take-action



Friends of Retail!

Each election year, MRA evaluates returning lawmakers voting records and state legislative candidates to determine our *Friends of Retail*.

A candidate who is named a Friend of Retail is approved by the Association's Legislative Committee and earns the designation either demonstrated through their votes on and sponsorship of key issues, or through their answers to critical policy questions that they understand the importance of the retail industry to Michigan's economy.



Look for **Friends of Retail** results to be released in July ahead of the August 2 primary election. Use the list to make informed decisions on Election Day.

2021 Top Lists

TOP 2021 law changes retailers need to know

1. No sales tax on feminine hygiene products as of Feb. 3, 2022
2. Pre-paid 9-1-1 fee increases to 6% on March 1, 2022
3. Military experience now qualifies for a CDL
4. 2021 personal property tax obligations are simplified
5. Cigar taxes remain capped at 50 cents permanently
6. Personal property tax exemption threshold raised for 2023
7. State and local tax deductions apply to all businesses

Top Top 2021 Vetoed Laws

1. Rebate for COVID-19 equipment and sanitizers
2. MIOSHA COVID-19 fine forgiveness
3. Limits on epidemic (health-department issued) orders
4. Ease of getting work permits for homeschoolers
5. Early end to pandemic-unemployment benefits



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