



AGC MEMBER GUIDE

A CHAPTER OF THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA

Legislative & Regulatory Advocacy

Bill O'Reilly of Fox News fame concludes every broadcast by saying, "We're looking out for you." When it comes to looking out for the construction industry in Lansing and in Washington, that job belongs to AGC! The AGC of Michigan has a proven track record of protecting the interests of the entire construction industry through its advocacy efforts. With the help and guidance of AGC's Legislative Task Force and Lansing's most respected multi-client lobbying firm Karoub Associates, AGC works diligently on issues that impact the industry.

Unlike members of the U.S. Congress, AGC has to read legislation to determine its impact on small business and the construction industry in general. State legislatures are often prolific policymakers churning out hundreds of bills per session. And Michigan's legislature is in session all year offering even greater opportunity to pass new laws. While no one is excited about the budget woes Michigan is currently facing, it has slowed the number and pace of other legislation moving through Lansing.

The Michigan budget situation brings to mind a perfect example of the importance of AGC's legislative efforts. When the new Michigan Business Tax (MBT) was being developed several years ago, its consequences and effect on the business community was the subject of great debate and equal uncertainty. A deadline loomed for the phase out of the single business tax and something had to take its place.

MBT Success Story

When near final versions of the MBT were released, they included a "gross receipts" tax on businesses. AGC was the first and most vocal about the affect this tax would have on the state's construction companies. AGC pointed out that the tax would "pyramid" whereby the state would collect tax from multiple companies involved in a typical construction project. The cost of construction would increase unnecessarily as companies sought to mitigate these increased tax burdens. It was the AGC of Michigan that offered the solution by way of amendment that allowed construction companies to deduct their subcontracts as "purchases from other firms" and thereby exempt from the calculation of gross receipts taxes. In some cases, this "AGC amendment" saved state construction firms several hundred percent of increased tax liability under the new Michigan Business Tax.

AGC is also actively involved in state regulatory matters with the same goal of protecting the interests of the construction industry. AGC of Michigan is the only trade association actively participating in the Governor's Employee Misclassification Task Force. AGC members and staff serve on various state boards and commissions to lend their expertise to state regulatory matters including construction code issues. AGC maintains excellent

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working relationships with key state government officials and has access to decision-makers when the need arises.

Much of the success in the area of legislative and regulatory advocacy is in preventing issues from moving forward that would have a negative effect on the industry. Well intended legislation or regulation can often have a significant negative impact if left unchecked. AGC has been very successful in “watching the industry’s back” on a number of issues including false claims and debarment.

The AGC of Michigan keeps you informed of key legislative and regulatory issues through its Midweek Briefing and e-bulletins. Information is also available on the AGC of Michigan website under the “Legislative/PAC” tab. In addition, AGC members can access the Karoub Reports on key issues and additional information at www.karoubassociates.com under the “For Clients” tab.

AGC of America Strength

Your national association does many things for the betterment of the industry and the membership at large, but it’s government affairs efforts clearly stand out. AGC-A is consistently ranked as one of the most effective lobbying organizations in Washington, DC. That includes ALL trade organizations, not just construction. Among construction trade organizations, AGC has no peers in legislation and regulatory advocacy. When there is a question about the impact a bill will have on the construction industry, AGC gets the call. AGC is a known and trusted source for legislative leaders on both sides of the aisle.

AGC-A’s reputation with the Federal agencies is just as stellar. Whether it’s federal contracting issues, building information modeling, XML, or green building issues – AGC again is the go-to organization for the construction industry in Washington. And AGC is often the ONLY organization working on the industry’s behalf on issues including needed improvement to the federal eVerify system, restrictive Buy American provisions in the Recovery Act legislation, and much more.

Concerned about healthcare? So is your national association. AGC has pointed out the many ways in which the House-passed legislation could be harmful to small businesses at a time when they can least afford it. Your voice in these issues counts and AGC makes participation easy. The Legislative Action Center allows you to send a letter to your Congressman and Senators on key issues impacting the industry. To check the issues AGC is tracking and join the battle, visit www.agc.org.

WIFM?

So at this point, you are asking yourself, “What’s in it for me?” Well, our grassroots efforts extend beyond the Michigan State Legislature and U.S. Congress. If you have an issue at the local level, AGC can often help. AGC of Michigan and AGC of America have helped Michigan contractors with permit approval, grant applications, federal-aid funding issues, past performance report issues and much more. If you have an issue with

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the local, state or federal government – AGC can help. All you have to do is ask! But we can't help you if we don't know you need help.

How You Can Help AGC

Both AGC of Michigan and AGC of America have successful political action committees (PAC). During most election cycles, the national AGC PAC exceeds \$1 million. At the local level, AGC of Michigan raises a respectable amount and has seen increased influence in Lansing over the past several years. It makes a big difference in Washington and in Lansing to have successful PACs.

And remember. . .In Lansing and in Washington, AGC IS LOOKING OUT FOR YOU!

