

**No. 29**  
**STATE OF MICHIGAN**  
**Journal of the Senate**  
**93rd Legislature**  
**REGULAR SESSION OF 2006**

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Senate Chamber, Lansing, Wednesday, March 22, 2006.

10:00 a.m.

The Senate was called to order by the President, Lieutenant Governor John D. Cherry, Jr.

The roll was called by the Secretary of the Senate, who announced that a quorum was present.

Allen—present  
Barcia—present  
Basham—present  
Birkholz—present  
Bishop—present  
Brater—present  
Brown—present  
Cassis—present  
Cherry—present  
Clark-Coleman—present  
Clarke—present  
Cropsey—present  
Emerson—present

Garcia—present  
George—present  
Gilbert—present  
Goschka—present  
Hammerstrom—present  
Hardiman—present  
Jacobs—present  
Jelinek—present  
Johnson—present  
Kuipers—present  
Leland—present  
McManus—present  
Olshove—present

Patterson—present  
Prusi—present  
Sanborn—present  
Schauer—present  
Scott—present  
Sikkema—present  
Stamas—present  
Switalski—present  
Thomas—present  
Toy—present  
Van Woerkom—present  
Whitmer—present

Senator Ron Jelinek of the 21st District offered the following invocation:

Lord, as we begin this day's important deliberations, keep us mindful of the effects we have on the citizens of this state. Let us always endeavor to put good policy ahead of all else. We know that there are great differences in individuals and that we must be tolerant and respectful of those differences. We know that we must be receptive to Your teachings and help others to understand them as well. We know that we must be honest and fair to everyone, and we ask for Your help in always achieving these standards as You would have us do.

We ask for these things in Your name, Lord. Amen.

The President, Lieutenant Governor Cherry, led the members of the Senate in recital of the *Pledge of Allegiance*.

### Motions and Communications

Senators Birkholz and Goschka entered the Senate Chamber.

Senator Schauer moved that Senator Barcia be temporarily excused from today's session.

The motion prevailed.

Senator Hammerstrom moved that Senator Johnson be temporarily excused from today's session.

The motion prevailed.

Senator Hammerstrom moved that consideration of the following bill be postponed for today:

**Senate Bill No. 246**

The motion prevailed.

Senator Hammerstrom moved that the rules be suspended and that the following bill, now on Committee Reports, be placed on the General Orders calendar for consideration today:

**House Bill No. 5743**

The motion prevailed, a majority of the members serving voting therefor.

The following communication was received:

Department of Environmental Quality

March 20, 2006

Pursuant to Public Act 14 of 2003 (Act 14), I am transmitting the Department of Environmental Quality's (DEQ) "Report on the Impacts of Beach Maintenance and Removal of Vegetation under Act 14 of 2003." This report and appendices can be accessed online at [www.michigan.gov/deqwetlands](http://www.michigan.gov/deqwetlands).

The enclosed compact disc includes the DEQ's summary report and two Appendix folders containing the primary research conducted that serves as the foundation for the DEQ report:

1. Appendix A contains the combined report by Dr. Don Uzarski, Grand Valley State University, and Dr. Tom Burton, Michigan State University (MSU), titled "The Effects of Coastal Wetland Fragmentation on Fish and Invertebrate Communities."

2. Appendix B contains the report by Dr. Dennis Albert, MSU's Michigan Natural Features Inventory titled "The Impacts of Various Types of Vegetation Removal on Great Lakes Coastal Wetlands of Saginaw Bay and Grand Traverse Bay."

I have also enclosed a press release announcing the report and a summary of the policy recommendations made by the DEQ as required in Act 14.

If you have any questions about this report, please feel free to contact me.

Steven E. Chester  
Director

The communication was referred to the Secretary for record.

The Secretary announced that the following House bills were received in the Senate and filed on Tuesday, March 21:  
**House Bill Nos. 5192 5324 5328 5329 5753 5852**

The Secretary announced the enrollment printing and presentation to the Governor on Tuesday, March 21, for her approval the following bills:

**Enrolled Senate Bill No. 462 at 2:41 p.m.**  
**Enrolled Senate Bill No. 728 at 2:43 p.m.**  
**Enrolled Senate Bill No. 208 at 2:45 p.m.**  
**Enrolled Senate Bill No. 477 at 2:47 p.m.**

### Messages from the Governor

Senator Hammerstrom moved that consideration of the following bills be postponed for today:

**Senate Bill No. 272**  
**Senate Bill No. 271**  
**Senate Bill No. 264**  
**Senate Bill No. 274**  
**Senate Bill No. 281**  
**Senate Bill No. 175**  
**Senate Bill No. 236**  
**Senate Bill No. 892**  
**Senate Bill No. 893**  
**Senate Bill No. 956**  
**Senate Bill No. 957**  
**Senate Bill No. 179**

The motion prevailed.

The following messages from the Governor were received and read:

March 21, 2006

I respectfully submit to the Senate, pursuant to Section 6 of Article 5 of the Michigan Constitution of 1963, the following appointment and reappointment to state office under Section 3 of the Agricultural Marketing and Bargaining Act, 1972 PA 344, MCL 290.703:

#### **Agricultural Marketing and Bargaining Board**

Mr. Arthur J. Lister, Jr., a Democrat, of 3030 South Pere Marquette Highway, Ludington, Michigan 49431, county of Mason, succeeding the late Arthur J. Lister, Sr., representing farmers, for a term commencing March 21, 2006 and expiring September 1, 2006.

Ms. Jody Kay Meagher, a Republican, of 3873 Utah Drive, Bay City, Michigan 48706, county of Bay, reappointed to represent the general public, for a term expiring September 1, 2009.

March 21, 2006

I respectfully submit to the Senate, pursuant to Section 6 of Article 5 of the Michigan Constitution of 1963, the following appointment to state office pursuant to Executive Order 2001-5, MCL 28.621:

#### **Michigan Commission on Law Enforcement Standards**

Ms. Doreen E. Olko of 3874 HiDale Drive, Lake Orion, Michigan 48360, county of Oakland, succeeding Jeffrey Werner, who has resigned, representing individuals submitted by the Michigan Association of Chiefs of Police, for a term commencing March 21, 2006 and expiring November 1, 2007.

Sincerely,  
 Jennifer M. Granholm  
 Governor

The appointments were referred to the Committee on Government Operations.

Senators Johnson and Barcia entered the Senate Chamber.

### Messages from the House

Senator Hammerstrom moved that consideration of the following bill be postponed for today:

**Senate Bill No. 242**  
 The motion prevailed.

**Senate Bill No. 599, entitled**

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending section 38g (MCL 208.38g), as amended by 2003 PA 249.

The House of Representatives has substituted (H-4) the bill.

The House of Representatives has passed the bill as substituted (H-4) and amended the title to read as follows:

A bill to amend 1975 PA 228, entitled "An act to provide for the imposition, levy, computation, collection, assessment and enforcement, by lien or otherwise, of taxes on certain commercial, business, and financial activities; to prescribe the manner and times of making certain reports and paying taxes; to prescribe the powers and duties of public officers and state departments; to permit the inspection of records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits, and refunds; to provide penalties; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to provide an appropriation," (MCL 208.1 to 208.145) by adding section 35e.

Pursuant to rule 3.202, the bill was laid over one day.

**Senate Bill No. 779, entitled**

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 722 (MCL 257.722), as amended by 2002 PA 41.

The House of Representatives has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

The Senate agreed to the full title.

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

**Senate Bill No. 371, entitled**

A bill to amend 1996 PA 376, entitled "An act to create and expand certain renaissance zones; to foster economic opportunities in this state; to facilitate economic development; to stimulate industrial, commercial, and residential improvements; to prevent physical and infrastructure deterioration of geographic areas in this state; to authorize expenditures; to provide exemptions and credits from certain taxes; to create certain obligations of this state and local governmental units; to require disclosure of certain transactions and gifts; to provide for appropriations; and to prescribe the powers and duties of certain state and local departments, agencies, and officials," by amending section 8d (MCL 125.2688d), as amended by 2005 PA 276.

Substitute (H-1).

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 155****Yeas—38**

Allen	Clarke	Jelinek	Schauer
Barcia	Cropsey	Johnson	Scott
Basham	Emerson	Kuipers	Sikkema
Birkholz	Garcia	Leland	Stamas
Bishop	George	McManus	Switalski
Brater	Gilbert	Olshove	Thomas
Brown	Goschka	Patterson	Toy
Cassis	Hammerstrom	Prusi	Van Woerkom
Cherry	Hardiman	Sanborn	Whitmer
Clark-Coleman	Jacobs		

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor. The Senate agreed to the title as amended. The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

**Third Reading of Bills**

Senator Hammerstrom moved that the following bills be placed at the head of the Third Reading of Bills calendar:

- Senate Bill No. 1104**
- Senate Bill No. 971**
- Senate Bill No. 972**
- Senate Bill No. 1044**
- House Bill No. 5508**

The motion prevailed.

The following bill was read a third time:

**Senate Bill No. 1104, entitled**

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 2534 (MCL 600.2534), as amended by 1996 PA 378.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 156**

**Yeas—38**

Allen	Clarke	Jelinek	Schauer
Barcia	Cropsey	Johnson	Scott
Basham	Emerson	Kuipers	Sikkema
Birkholz	Garcia	Leland	Stamas
Bishop	George	McManus	Switalski
Brater	Gilbert	Olshove	Thomas
Brown	Goschka	Patterson	Toy
Cassis	Hammerstrom	Prusi	Van Woerkom
Cherry	Hardiman	Sanborn	Whitmer
Clark-Coleman	Jacobs		

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

**Senate Bill No. 971, entitled**

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending sections 35103 and 74102a (MCL 324.35103 and 324.74102a), section 35103 as amended by 1996 PA 290 and section 74102a as added by 2004 PA 392, and by adding section 74102b.

The question being on the passage of the bill,

Senator Brown offered the following amendments:

1. Amend page 7, line 18, after “UNLESS” by striking out “BOTH” and inserting “ALL”.
2. Amend page 7, following line 19, by inserting:

“(A) THE DEPARTMENT HAS POSTED ON ITS WEBSITE NOTICE OF THE PROPOSED SALE.” and relettering the remaining subdivisions.

3. Amend page 7, line 26, after “SUBDIVISION” by striking out “(A)” and inserting “(B)”.

The amendments were adopted, a majority of the members serving voting therefor.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 157**

**Yeas—38**

Allen	Clarke	Jelinek	Schauer
Barcia	Cropsey	Johnson	Scott
Basham	Emerson	Kuipers	Sikkema
Birkholz	Garcia	Leland	Stamas
Bishop	George	McManus	Switalski
Brater	Gilbert	Olshove	Thomas
Brown	Goschka	Patterson	Toy
Cassis	Hammerstrom	Prusi	Van Woerkom
Cherry	Hardiman	Sanborn	Whitmer
Clark-Coleman	Jacobs		

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

**Senate Bill No. 972, entitled**

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending section 2131 (MCL 324.2131), as amended by 2001 PA 174.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 158**

**Yeas—38**

Allen	Clarke	Jelinek	Schauer
Barcia	Cropsey	Johnson	Scott

Basham	Emerson	Kuipers	Sikkema
Birkholz	Garcia	Leland	Stamas
Bishop	George	McManus	Switalski
Brater	Gilbert	Olshove	Thomas
Brown	Goschka	Patterson	Toy
Cassis	Hammerstrom	Prusi	Van Woerkom
Cherry	Hardiman	Sanborn	Whitmer
Clark-Coleman	Jacobs		

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

**Senate Bill No. 1044, entitled**

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending section 76702 (MCL 324.76702), as added by 1995 PA 58.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 159**

**Yeas—38**

Allen	Clarke	Jelinek	Schauer
Barcia	Cropsey	Johnson	Scott
Basham	Emerson	Kuipers	Sikkema
Birkholz	Garcia	Leland	Stamas
Bishop	George	McManus	Switalski
Brater	Gilbert	Olshove	Thomas
Brown	Goschka	Patterson	Toy
Cassis	Hammerstrom	Prusi	Van Woerkom
Cherry	Hardiman	Sanborn	Whitmer
Clark-Coleman	Jacobs		

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

Senator Schauer moved that Senator Emerson be temporarily excused from the balance of today's session. The motion prevailed.

The following bill was read a third time:

**House Bill No. 5508, entitled**

A bill to amend 1984 PA 44, entitled "Motor fuels quality act," by amending the title and sections 2, 3, 5, 9b, 9d, 9g, 9h, 9i, 9j, 10b, 10c, and 10d (MCL 290.642, 290.643, 290.645, 290.649b, 290.649d, 290.649g, 290.649h, 290.649i, 290.649j, 290.650b, 290.650c, and 290.650d), the title and section 2 as amended and sections 9b, 9d, 9g, 9h, 9j, and 10c as added by 1993 PA 236, sections 3, 5, and 10b as amended by 2002 PA 13, section 9i as amended by 2004 PA 278, and section 10d as added by 1993 PA 231, and by adding sections 9k and 9l; and to repeal acts and parts of acts.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 160**

**Yeas—37**

Allen	Clarke	Jelinek	Schauer
Barcia	Cropsey	Johnson	Scott
Basham	Garcia	Kuipers	Sikkema
Birkholz	George	Leland	Stamas
Bishop	Gilbert	McManus	Switalski
Brater	Goschka	Olshove	Thomas
Brown	Hammerstrom	Patterson	Toy
Cassis	Hardiman	Prusi	Van Woerkom
Cherry	Jacobs	Sanborn	Whitmer
Clark-Coleman			

**Nays—0**

**Excused—1**

Emerson

**Not Voting—0**

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to provide purity and quality standards for motor fuels; to regulate the transfer, sale, dispensing, or offering of motor fuels for sale; to provide for an inspection and testing program; to provide for the powers and duties of certain state agencies; to provide for the licensing of certain persons engaged in the transfer, sale, dispensing, or offering of motor fuels for sale; to regulate stage I and stage II vapor-recovery systems at certain facilities; to provide for fees; and to provide remedies and prescribe penalties,".

The Senate agreed to the full title.

By unanimous consent the Senate proceeded to the order of

**General Orders**

Senator Hammerstrom moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President, Lieutenant Governor Cherry, designated Senator Bishop as Chairperson.



After some time spent therein, the Committee arose; and, the President, Lieutenant Governor Cherry, having resumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bills:

**House Bill No. 5620, entitled**

A bill to amend 1988 PA 234, entitled "Michigan Vietnam veterans memorial act," by amending section 5a (MCL 35.1055a), as added by 2000 PA 470.

**House Bill No. 4838, entitled**

A bill to amend 1984 PA 431, entitled "The management and budget act," (MCL 18.1101 to 18.1594) by adding section 1299.

**House Bill No. 5282, entitled**

A bill to amend 2000 PA 258, entitled "Career and technical preparation act," by amending section 13 (MCL 388.1913).

The bills were placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

**Senate Bill No. 376, entitled**

A bill to establish an organ donor leave time program for certain individuals employed by this state; to provide for implementation and administration of the program; and to prescribe powers and duties of certain state officers and agencies.

Substitute (S-2).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

**House Bill No. 4398, entitled**

A bill to codify the laws regarding local units of government regulating the development and use of land; to provide for the adoption of zoning ordinances; to provide for the establishment in counties, townships, cities, and villages of zoning districts; to prescribe the powers and duties of certain officials; to provide for the assessment, levy, and collection of taxes and fees; to authorize the issuance of bonds and notes; to prescribe penalties and provide remedies; and to repeal acts and parts of acts.

Substitute (S-5).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with amendment, the following bill:

**House Bill No. 4161, entitled**

A bill to amend 1996 PA 305, entitled "Acknowledgment of parentage act," by amending sections 6 and 7 (MCL 722.1006 and 722.1007).

The following is the amendment recommended by the Committee of the Whole:

1. Amend page 2, following line 26, by inserting:

**"(H) THAT IN ORDER TO REVOKE AN ACKNOWLEDGMENT OF PARENTAGE, AN INDIVIDUAL MUST FILE A CLAIM AS PROVIDED UNDER SECTION 11."**

The Senate agreed to the amendment recommended by the Committee of the Whole, and the bill as amended was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

**Senate Bill No. 1110, entitled**

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 2a of chapter XI (MCL 771.2a), as amended by 2005 PA 126.

Substitute (S-1).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

### Resolutions

Senator Hammerstrom moved that consideration of the following resolution be postponed for today:

**Senate Resolution No. 71**

The motion prevailed.

Senators Barcia, Cherry, Scott and Prusi offered the following resolution:

**Senate Resolution No. 106.**

A resolution to memorialize the Congress of the United States to pass legislation to protect pensions.

Whereas, Vested pension rights have been a key victory in the history of organized labor's struggles for fair and equitable compensation. Indeed, pension rights have been among the most highly sought employment benefits. Unlike other benefits, a guaranteed pension offers everyone from the shop floor on up the promise of a long and fulfilling retirement; and

Whereas, During recent years, however, there has been an all-out attack on vested pension rights, as company after company has scrambled to shirk their duty to employees who have given so much of themselves to make their employers successful. The federal Pension Benefit Guaranty Corporation was created to act as a buffer against the loss of pensions due to legitimate business travails, but it appears that some employers are attempting to use it as a private bank account to fund their promised benefits; and

Whereas, Clearly, the federal government cannot be expected to continue to shoulder the nationwide burden of private sector pension obligations. Strict rules must be adopted to require businesses to fully fund their pension plans. Moreover, this effort must assure adequate pension protections by providing adequate funding for the Pension Benefit Guaranty Corporation. Our working men and women deserve no less; now, therefore, be it

Resolved by the Senate, That we hereby memorialize the Congress of the United States to pass legislation to protect pensions; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations,

Senator Hammerstrom moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on the adoption of the resolution,

Senator Hammerstrom moved that the resolution be referred to the Committee on Appropriations.

The motion prevailed.

Senators Basham, Birkholz, Brater, Cassis, Clark-Coleman, Clarke, Goschka, Jacobs, Leland, Olshove, Schauer, Switalski and Thomas were named co-sponsors of the resolution.

**Senate Concurrent Resolution No. 39.**

A concurrent resolution to request the State Bar of Michigan and the National Legal Aid and Defender Association to issue a joint report to the Legislature on the number and types of cases and the costs resulting from court-appointed attorneys for indigent criminal cases in Michigan.

The question being on the adoption of the following committee substitute:

Substitute (S-1).

The substitute was adopted.

The concurrent resolution, as substituted, was adopted.

**Senate Resolution No. 77.**

A resolution to urge the Michigan Department of Natural Resources to increase efforts to provide notification and public education on rip currents in the Great Lakes.

The question being on the adoption of the resolution,

The resolution was adopted.

Senator Birkholz asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator Birkholz's statement is as follows:

For the people who live in Michigan, especially those of us who live around the lakeshore area, most of us have an experience with and know about the rip tides, or as we called them when we were kids, undertows. They are very dangerous and not everyone realizes this, even those of us who live near the lakes.

They can often occur without warning. They can occur on nice sunshiny days when the water appears calm, the beach is warm, and everyone wants to stay and play in the sun, in the sand, and in the waves. They invite sometimes the more adventurous of us, those of us who like to ride the waves, and they appear like they would be fun; sometimes people just standing out in the water waist deep enjoying the sun, the water, and the beautiful day in our great lakes. But these tides can move faster than five miles an hour and have been known to carry even Olympic swimmers hundreds of yards offshore in just a few seconds.

In 2002 and 2003, there were over 30 drownings related to rip tides, so we, in Senate Resolution No. 77, are urging the DNR to take new measures to provide beach visitors with information on how to interpret flags for beaches where there are flags—remembering that we don't all have flags at the beaches; also how to recognize a rip tide and how to react to it because there are things that you can do to help ease your way back out of the water, and there are things that you can do that can cause you to literally be sucked under faster.

So I encourage your adoption of this resolution so we can help educate the people who live here and the visitors who come here to enjoy our great lakes—to do so without harm.

#### **Senate Resolution No. 78.**

A resolution to urge the Michigan Department of Education to provide information to help educate students about the dangers of rip tides and basic pier safety.

The question being on the adoption of the following committee substitute:

Substitute (S-1).

The substitute was adopted.

The resolution, as substituted, was adopted.

By unanimous consent the Senate returned to the order of

#### **General Orders**

Senator Hammerstrom moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President, Lieutenant Governor Cherry, designated Senator Bishop as Chairperson.

After some time spent therein, the Committee arose; and, the President, Lieutenant Governor Cherry, having resumed the Chair, the Committee reported back to the Senate, favorably and with amendment, the following bill:

#### **House Bill No. 5743, entitled**

A bill to repeal acts and parts of acts.

The following is the amendment recommended by the Committee of the Whole:

1. Amend page 1, following line 7, by striking out all of enacting section 4 and inserting:

“Enacting section 4. The legislature shall replace the single business tax imposed under the single business tax act, 1975 PA 228, MCL 208.1 to 208.145, with a tax or taxes that are more conducive to job creation, investment, and economic growth. The legislature shall not replace revenues not collected based on the repeal by this act of the single business tax act, 1975 PA 228, MCL 208.1 to 208.145, with an increase in the rate or base of any of the following:

(a) The state income tax imposed under the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532.

(b) The sales tax imposed under the general sales tax act, 1933 PA 167, MCL 205.51 to 205.78.

(c) The use tax imposed under the use tax act, 1937 PA 94, MCL 205.91 to 205.111.

(d) Taxes collected on residential real property that is not leased or rented for more than 50% of any calendar year and on principal residences. As used in this subdivision:

(i) “Principal residence” means property exempt under section 7cc of the general property tax act, 1893 PA 206, MCL 211.7cc.

(ii) “Residential real property” means property classified as residential real property under section 34c of the general property tax act, 1893 PA 206, MCL 211.34c.

(e) Any other tax the economic incidence of which is on individuals.

Enacting section 5. Before January 1, 2007, the governor's council of economic advisors, created in Executive Order No. 2003-8, shall develop a plan to replace all or a portion of the revenues not collected related to the repeal of the single business tax act, 1975 PA 228, MCL 208.1 to 208.145, by this act. Before January 1, 2007, the governor's council of economic advisors shall report the plan to the governor, the senate majority leader, the speaker of the house of representatives, and the senate and house standing committees that deal with tax and finance matters.”.

The Senate agreed to the amendment recommended by the Committee of the Whole, and the bill as amended was placed on the order of Third Reading of Bills.

By unanimous consent the Senate returned to the order of  
**Third Reading of Bills**

Senator Hammerstrom moved that the rules be suspended and that the following bill, now on the order of Third Reading of Bills, be placed on its immediate passage at the head of the Third Reading of Bills calendar:

**House Bill No. 5743**

The motion prevailed, a majority of the members serving voting therefor.

Senator Emerson entered the Senate Chamber.

The following bill was read a third time:

**House Bill No. 5743, entitled**

A bill to repeal acts and parts of acts.

The question being on the passage of the bill,

Senator Prusi offered the following amendment:

1. Amend page 1, following line 7, following enacting section 5, by inserting:

“Enacting section 6. This amendatory act does not take effect unless a consensus revenue estimating conference held before December 31, 2007 under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b, certifies, by a unanimous decision of all of the principals of the conference, both of the following:

(a) That the legislature has provided by law that the total annual revenue not collected and deposited into the general fund as a result of the repeal of the single business tax act, 1975 PA 228, MCL 208.1 to 208.45, will be collected beginning January 1, 2008, through replacement taxes deposited not less than annually into the general fund and not transferred from any fund or other source available at the time of the repeal.

(b) That no law authorizing replacement taxes as required by subdivision (a) provides for an increase in the rate or base of any existing tax, the incidence of which is on individuals, or that imposes any new tax, the incidence of which is on individuals. The incidence of a tax is considered to be upon individuals if individuals have the legal liability for paying the tax or the person liable for payment of the tax is authorized by law to reimburse himself or herself from individuals for the amount of the tax by adding the tax to the price of a transaction.”

The amendment was not adopted, a majority of the members serving not voting therefor.

Senator Schauer requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment was not adopted, a majority of the members serving not voting therefor, as follows:

**Roll Call No. 161**

**Yeas—16**

Barcia	Clark-Coleman	Leland	Scott
Basham	Clarke	Olshove	Switalski
Brater	Emerson	Prusi	Thomas
Cherry	Jacobs	Schauer	Whitmer

**Nays—22**

Allen	Garcia	Jelinek	Sanborn
Birkholz	George	Johnson	Sikkema
Bishop	Gilbert	Kuipers	Stamas
Brown	Goschka	McManus	Toy
Cassis	Hammerstrom	Patterson	Van Woerkom
Cropsey	Hardiman		

**Excused—0**

**Not Voting—0**

In The Chair: President

The question being on the passage of the bill,  
The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 162****Yeas—21**

Allen	Garcia	Hardiman	Sanborn
Birkholz	George	Jelinek	Sikkema
Bishop	Gilbert	Kuipers	Stamas
Brown	Goschka	McManus	Toy
Cassis	Hammerstrom	Patterson	Van Woerkom
Cropsey			

**Nays—17**

Barcia	Clarke	Leland	Scott
Basham	Emerson	Olshove	Switalski
Brater	Jacobs	Prusi	Thomas
Cherry	Johnson	Schauer	Whitmer
Clark-Coleman			

**Excused—0****Not Voting—0**

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect,  
The recommendation was not concurred in, 2/3 of the members serving not voting therefor.

The President pro tempore, Senator Birkholz, assumed the Chair.

Senator Hammerstrom requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The recommendation was not concurred in, 2/3 of the members serving not voting therefor, as follows:

**Roll Call No. 163****Yeas—23**

Allen	Emerson	Hardiman	Sanborn
Birkholz	Garcia	Jelinek	Sikkema
Bishop	George	Johnson	Stamas
Brown	Gilbert	Kuipers	Toy
Cassis	Goschka	McManus	Van Woerkom
Cropsey	Hammerstrom	Patterson	

**Nays—15**

Barcia	Clark-Coleman	Olshove	Switalski
Basham	Clarke	Prusi	Thomas
Brater	Jacobs	Schauer	Whitmer
Cherry	Leland	Scott	

**Excused—0****Not Voting—0**

In The Chair: Birkholz

The Senate agreed to the title of the bill.

**Protests**

Senators Emerson, Cherry, Clarke, Switalski, Brater, Whitmer, Jacobs, Clark-Coleman, Scott and Thomas, under their constitutional right of protest (Art. 4, Sec. 18), protested against the passage of House Bill No. 5743.

Senators Emerson, Clarke, Switalski and Brater moved that the statements they made during the discussion of the bill be printed as their reasons for voting “no.”

The motion prevailed.

Senator Emerson’s statement, in which Senators Cherry, Whitmer and Jacobs concurred, is as follows:

This may shock some of you, but I intend to vote “no” on this bill. I know that comes as a surprise. The Majority Leader when he spoke indicated that he found some irony in the fact that some people did not want to move up the sunset date, since they voted for a previous sunset date. I scoured around to try to make sure that I had not voted for that and that I wasn’t one of the twenty-seven members of this body who voted for that. Lo and behold, I was smart enough a number of years ago not to vote for the elimination in the year of 2009. So I feel pretty comfortable not wanting to move that sunset date up to 2007.

I think of people who talked about how the SBT is a hindrance to our competitiveness, and I remember five or six years ago, Governor Engler and his head of the economic development commission running around touting themselves as being the top job creators in the country. At that time, we had an SBT with fewer exemptions with a higher rate. That very same Governor before he left office was responsible enough to know that we should not eliminate and continue to reduce the single business tax and put a requirement that we have \$250 million in the budget stabilization fund before we further reduce that. That happens to be one of the few things that I agreed with that Governor on, but at least he was consistent and he knew what was good public policy.

If we thought this was good public policy, we would be eliminating the SBT today and not waiting twenty-one months instead of three and a half years. The SBT is going to be eliminated at some point in time, and I have listened to speeches both public and private by the Majority Leader, where he has consistently said we should have a pro-growth tax that replaces this tax.

Over a year ago, in the Governor’s office, I think we had that conversation. We have had a year to think about that and we still have not come up with an answer. I consider him to be one of the brightest people I have ever come across here in this Legislature. If he can’t think of something in the last year and three months, I don’t know how the rest of you are going to think of something in the next twenty-one months because I have great confidence in the Majority Leader. If he had a real answer, if he had a policy answer, he would be offering that answer today, instead of the political rhetoric of let’s eliminate sooner because it is a hindrance. Is it not a hindrance today? Obviously, we don’t believe that. It was not a hindrance when John Engler was Governor and Doug Rothwell was running the MEDC. I think many of the many reasons why we continue to lose jobs are the reasons that were alluded to by the previous speaker.

There are national policies that I think we have to question. Everybody has talked about what we did back thirteen or fourteen years ago, and I was around then, and it may surprise you, I did not vote to eliminate the property taxes as a way of funding schools. I was a part of the group that sat down to figure out a responsible way to pay for schools

after we had done that. We had done that in the same session of the Legislature that we eliminated the tax. It seems to me that it is the height of irresponsibility for us to place a burden on future legislatures, for us to place a burden on them to come up with an answer that we can't come up with ourselves.

I think in my first year in the Senate, one of the issues that we took up was the reduction of the state income tax, and we voted to phase down the income tax by a tenth of a percent over five years. I voted for three of those reductions. They were in separate bills, and I voted for them because they all occurred during the term that I was elected and serving. I didn't vote for the last two because I argued at that time that we should not be cutting taxes for a future Legislature; that we should deal with the consequences of our decisions during the term for which we are elected. We ought to set budgets, we ought to raise taxes, and we ought to do what we need to do to ensure that we have a proper state functioning state government.

So I think that my position has been fairly consistent. I think we ought to do the responsible thing, but today we are opting for the cowardly thing. This is the most regrettable act of political cowardice that I have seen since I have been in the Legislature. We are dealing with a tax that is going to be eliminated in 2009, whether we do something or not.

No one has been able to figure out since the day we passed that sunset how we should replace it. The Governor has put forth a proposal and could not get an agreement from the Legislature. The Legislature has put forth some things that they could not get an agreement with themselves and the administration. I mean, it seems to me that the only real solution is for us, if we want to truly replace the single business tax, is that we ought to come up with a solution and not come up with a problem for our future legislatures. For us to put an enacting section into the laws and the bill that we are passing today is to say, well, gee, we want to eliminate the single business tax, but we want to also tell you that we don't want to raise taxes. We don't want to raise the sales tax; we don't want to raise the income tax. If we truly believed that, we would be amending the income tax, we would be amending the sales tax act, and we would be amending a number of other things instead of trying to amend by reference. If we offered this amendment, we would have been shot down a long time, as it not being proper to amend this bill moving up the repeal date.

So I think this is a sad day. I also think that when I heard one of the previous speakers refer to this as our visit to the emergency room, well, I hate to tell you, if I have an emergency, I don't want to wait 21 months to get it fixed. This is elective surgery. We are electing surgery to have in the year of 2007, not in the year of 2009. I found that reference laughable.

I would encourage members of this body to vote "no" on this highly irresponsible and cowardly bill.

Senator Clarke's statement is as follows:

By lightening the tax burden on our businesses, our businesses will be able to keep more money. That seems to be important since our economy is really tough right now not only in Michigan, but throughout this country. By keeping more money, that could help our economy get stronger if that money is re-invested into the company, in more research and development, and in more jobs. But if that business owner chooses to invest that money out of state or even out of the country, that tax break is not going to help us here in Michigan because we need jobs here in Michigan.

You know, I still must recognize that right now Michigan businesses are not just competing among each other. They're competing against other businesses in other states and also other businesses in other countries. We're in a global economy. Because wage rates are so low in other countries, it makes it tough for us in the United States to keep manufacturing jobs here because we believe in paying people a living wage. The one thing I would ask first, before we reduce this tax, is to ask the federal government to call to an end to unfair trade practices by other countries such as China. They are manipulating their currency to give their companies an unfair trade advantage over U.S. companies. That's not right. We need a call to end that kind of trickery around the world before we call an end to an important tax here that generates money. But even still, that kind of action by the federal government looks like it's unlikely. I do believe, though, that we need to help Michigan businesses.

If you don't mind, Mr. President, I want to read from a news article of this Sunday where one of the key business people in the state of Michigan who is trying to generate new high-tech jobs says what is important in order to grow those businesses. I'll read this right out of the newspaper article. Dwight Carlson, who has launched three high-tech businesses over his career, says Michigan's tax structure is the farthest thing from his mind when it comes to starting a new venture. "We are not leveraging buildings or capital equipment. We're leveraging people," said Carlson, who launched his company that builds precision measuring devices in 2003. "For us, people are the most important aspect. We don't even look at taxes. Frankly, it's not even on our radar screen."

In closing, Carlson said that an educated work force and communities with a good standard of living are more important to the needs of high-tech start-ups. The reason why I mention it is this: We may not be able to stop the outflow of our manufacturing jobs around the world because those companies, as I mentioned, are paying dirt poor wages, but here is one thing we can compete with. It's with our mind. Yes, our automotive industry can be a base of new jobs, but it will be in research and development and in design. With all of the creative and conceptual talent that we have and need to make our cars better, cleaner, and more efficient vehicles, that is how we can grow our economy.

A tax break, this tax break without the money to replace it, I say, will put Michigan businesses in a worse position because we need more money like what the Governor is asking for. In preschool education, to help our kids learn to

read better. In middle school, so our middle school students can get better scores in math and science and be equipped to be the future engineers we need, and an adult ed and post-secondary education, so we can help re-skill those workers who have lost their jobs, whose jobs have been outsourced around the world.

We need General Fund money to make our work force competitive so companies will stay in Michigan because they've got great talented people to hire right here. You see, I'm opposing this not because I'm opposing lower taxes for our businesses. I do believe that every competitive advantage we can give our businesses will help this economy, but it's only if that competitive advantage, if the money we save is actually re-invested back into our workers, back into the businesses to make Michigan businesses more competitive. Here, this doesn't. We've got a \$2 billion hole, and yet in this current budget right now, this Senate has chosen not to even fund some of the Governor's most important programs that would help make our public school students more competitive workers when they get out in the work force.

Companies in Michigan need smart, talented people. We need the \$2 billion in General Fund money to help train people in Michigan so they'll be hired into those jobs. Here's what could happen right now, and I will close. When we pass this tax, it's going to give some big companies a little bit more money to play around with. They could invest that money overseas, and yet the young people who really want to work in those jobs won't get the training for the education they need to be hired into those jobs because we've eliminated the money to fund those training programs. If the Prusi amendment had passed, I would have voted for this tax cut because not only would the business owners be getting a break and be able to keep more of their money and maybe make more of it if they invest it wisely, but so would the workers. We'd be investing in their future too.

You know, in closing, I want to say this. To make the economy grow, it takes the ingenuity and foresight of the business owner who uses their capital and risks their capital to start their business. It also takes the hard work and talent of employees that business owners must hire. The formula to prosperity in Michigan, Mr. President, is a partnership between the business owners and the employees. Cutting the single business tax without providing training resources that our Michigan workers so desperately need fails to recognize that the path to prosperity in Michigan is a partnership with businesses and employees. We need to fund employee programs so our businesses can be more successful and compete globally.

Senator Switalski's first statement, in which Senator Thomas concurred, is as follows:

I sympathize with the proponents of this bill. They have a very tough sell. Proponents need to convince the public that we should do something easy now, cut taxes, while promising to do something hard tomorrow. That is, to vote for a new tax. Think of it this way. Abolishing the SBT without creating a replacement is like quitting your job before you've found another one. It is irresponsible. Imagine the child you've raised, watched get married, buy a house, and have a few children comes to you one day and confides in you. "You know, I don't really like my job," he tells you. "Well, that's too bad," you reply. "You should start looking around for another one." "No," he replies. "I think I will quit my job first, and then I'll have more time to look for a new one." Your reply is quick and forceful, a reply echoed over the years by billions of parents over thousands of years: "Don't quit your job until you find a new one."

So proponents of this bill have my sympathy. They have to convince people of this state that it is wise for Michigan to do something that any fiscally conservative person would say is reckless, irresponsible, and wrong. The next problem is how to convince the press and public that you can replace the income.

The answer is another time-honored response that has been around for thousands of years. But it is not particularly effective as an argument in used car sales, loan applications, or politics. It's called trust me. We'll figure a way. We did it in Proposal A. A look at the history of Proposal A and the history of the SBT should give you caution. The Governor, in fact, proposed revamping the SBT a year ago, and it took nearly a year to reach agreement to merely amend it, not end it.

So let's look at the bill for a second. It says we won't use the use tax, sales tax, or property tax, and we have a substitute that adds a few more taxes that we will not look at to replace this. The SBT supplies \$1.8 billion or one-quarter of our General Fund. As an income tax component of 50 percent—but we are not going to use that—sales tax component of 13 percent—well, we are not going to use that—and the SBT total is about 23 percent—well, we are getting rid of that, so I don't see how we would use that—that's 87 percent of the General Fund, so we have about 13 percent left. Now we can't use property taxes.

How about insurance taxes? That's about 3 percent, but the Governor proposed that a year ago and the Legislature said no. How about tobacco? That's another 3 percent, but we just raised that and we are the second-highest in the nation. So there is about 6 percent left of other little, tiny taxes. I don't think they would generate anywhere near a fraction of what we have to raise. We will need to replace about \$1.8 billion.

Is business overtaxed? According to the Fiscal Agency, business taxes comprise 5 percent of total state revenue. Is that too much? Per the Tax Foundation, Michigan is 26th for business climate. That's smack-dab in the middle. I suspect, Mr. President, this bill is pure politics. This bill is three pages long and has one line on the third page. It's not a long bill, but it costs \$1.8 billion. It is going through with no hearings and little debate. I suspect the Governor will veto it and the fingerpointing and pontificating will begin.



Before the election date got close, there was a time when irresponsible legislation like this coming over from the House was quickly rejected. Responsible leaders turned down every giveaway artist with a new tax cut with a curt but pointed question. How are you going to pay for it? We are not doing any tax cuts that aren't paid for. Well, that was sound.

This legislation is another example of the something-for-nothing attitude that is sapping our national character. Michigan is supposed to stand for hardworking people, who work hard, build things, and mean what they say. They pay for what they buy. Who is paying for this tax cut? No one.

This bill tells business it can enjoy the benefits of a civilized society, with law enforcement to keep it safe and protect its assets, with transportation infrastructure to move its products to market, with an educational system to train its workers, and with the administration of justice to regulate commerce. And it tells them they can have that for free. Every responsible Michigander rejects that equation.

Senator Switalski's second statement is as follows:

I apologize for coming back. I said everything I wanted to, but I just had to respond to one question raised by one of the speakers about the irony of people voting for this back in 2002. If you take a look at the *Gongwer* and remember the context of everything, it's very different from the vote today. Today we've got an up-or-down vote on changing the sunset date for the SBT. One issue right in front, right there: Decide whether that's a good thing or not with no replacement. Context was very different back in July of 2002 when the sunset was moved up to 2009. In fact, the *Gongwer* article that covers it starts off with the headline saying "Senate OKs Budget Package."

Part of that package was the narrow approval of an increase in the cigarette tax—50 cent increase in the cigarette tax. They had to vote twice on it to get it through. You were there, Mr. President. It also assured a delay in the SBT rollback. So the rollback that was in law, there was going to be a tenth of a percent every year, was actually delayed and they didn't get a reduction because of this action. So, in effect, some people were calling it a tax increase. It also defeated a reduction of the SBT trigger from \$250,000 down to \$50,000 and it allowed a BSF transfer to get us below that trigger. All those things happened and buried down in the bottom of the article is, by the way, the sunset date is going to be 2009 now.

Senator Brater's statement, in which Senators Jacobs, Clark-Coleman and Scott concurred, is as follows:

You know, it is interesting the debate that we are hearing today and the backward-looking approach that I am hearing from the other side of the aisle, talking about things that were done back in the 20th century, even as recently as 2002. Of course, I wasn't here in 2002, so I can clearly state that I did not vote to sunset the single business tax, nor would I have done so had I been here at the time. It seems to me that the twenty-seven members who voted for that, if they still believe in sunseting it, by now could have come up with a plan to replace it if that truly is the intent. It makes me very nervous to hear some people sort of hinting that maybe we don't need to replace it. We have heard it today from the other side of the aisle and we have heard it from House side. That is 25 percent of the General Fund that we are talking about not replacing.

So, let's be clear. We cannot afford to lose another \$2 billion from this budget. Yesterday in the Senate Finance Committee, the good chair of the committee stated twice, "There is no plan; there is no plan." That is a direct quote. That alarms me. It is very reckless to do away with this major source of funding for essential state services without having a plan in place. I don't care if it's been done twenty-five times before, it doesn't make it good public policy to remove 25 percent of the General Fund and not have a plan in place of what we are going to do to replace it.

Yes, we did have months and months of testimony of people coming before the Senate Finance Committee and talking about what they don't like about this tax, and that is why the Governor proposed a plan to restructure the plan to make it revenue neutral. On this side of the aisle, we all could have supported her approach. The other side of the aisle decided not to do it. I don't know why. The timing of this is interesting, coming as we are entering the election season. It doesn't make it anymore logical to do it now than it was to do it then.

Believe me, the citizens of the state of Michigan understand what you are doing. They understand that to remove a major business tax without a plan to replace it with another business tax raises the very real possibility that we will shift this burden to the individuals in the state of Michigan.

I don't know. I have stood at this microphone before and said this before, but I don't know how some of you go home to your districts and look your constituents in the eye when they talk to you about the cuts in dental care, about the cuts in mental health services, about how we can't afford programs to keep kids in school, how we have cut out programs to prevent child abuse and neglect, and enforcement of environmental laws. How are we going to build the roads and bridges that companies tell us are more important to them than taxes and that was testified to in the Senate Finance Committee, that companies want a highly-skilled workforce. We have to pay for higher education. We have to pay for public education.

It's been mentioned earlier that many of the problems that our manufacturers are facing need to be addressed at the federal level. That is another thing that our constituents understand. They understand that the failure of President Bush to do something about the unfair trade practices is directly what is causing the problems here in the state of Michigan.

President Bush, why haven't you done away with the manipulation of currency by China and Japan. President Bush, why haven't you done away with tax incentives that promote outsourcing jobs in Michigan. President Bush, why don't you address the lack of a health care system that forces our manufacturers to build the cost of health care into our products, where no other industrialized companies have to do that.

I don't hear the answers to those questions coming from this floor or from Lansing. So what we are hearing today won't mask the things that the citizens understand that you can't get something for nothing.

I hope that we will really vote down this repeal today. It is a highly reckless and irresponsible thing to do.

Senators Basham, Sikkema, Sanborn, Cassis, Goschka, Brown, Bishop, Thomas and Cropsey asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Basham's first statement is as follows:

I rise in opposition of House Bill No. 5743, and let me just tell you why. When I stood here this morning listening to the prayer, a couple of things were said in today's prayer that we as a body adopt good policy above all else; that we must be fair and just. It's interesting that we would have such a prayer on such a day when we are doing just the opposite. It's also interesting to note that the previous administration of former Governor Engler and Rothwell would go around the country talking about how wonderful Michigan was the No. 1 place in the country to do business. Yet we have reduced the SBT from the time that the Engler administration was in office, and by the way, the other party controlled the House, Senate, and the governorship, and chose not to eliminate the SBT. But now when we are in tough times, the Governor is trying to create jobs and trying to balance the budget.

Let me just tell you about a couple of quotes that I have in front of me. A professor from MSU said, "To eliminate the SBT and not replace it would be fiscally irresponsible to an astonishing degree." That's from the professor of economics at Michigan State University. A Milliken administration official said this: That "eliminating the SBT without a replacement is a risky scheme which would raise taxes on individuals or gut education funding, or both." A *Flint Journal* editorial said, "If the Republican lawmakers vote to eliminate the state's main business tax without simultaneously replacing the lost revenue, they should immediately give up their pay and benefits, and that's the least such an irresponsible act would call for and also it would be akin to a child failing to do his or her chores." Also the *Lansing State Journal* said, "According to the *Gongwer News Service*, the House Speaker Craig DeRoche said, 'We are taking action because we cannot wait another minute.'

Really, Mr. President, if the SBT repeal is essential to Michigan's survival, why did the House Republicans delay its removal until December 31, 2007? Why wait twenty-one months from now to do that? This is political fodder that will be played out between now and the election. It's a shame that this body doesn't deal with this issue. If we would have adopted the Prusi amendment, there would have been a different topic here today on eliminating the SBT. The SBT, when it was created, was created as a result of seven taxes reduced to one tax and was lauded as a good tax. Any tax that you have in this state, three years after it is enacted, is going to be a bad tax for businesses.

So somebody is going to have to pay the tax. The question is who should pay, how much, and what burden should you put on individuals?

Senator Sikkema's statement is as follows:

I rise to support this bill, and I must begin by finding a great deal of irony in the comments of the first three speakers, my good friends from the 10th District, the 1st District, and the 8th District, who in one form or another said sunseting the SBT next year without a replacement is irresponsible or reckless. This is exactly what they and twenty-four of my colleagues on this floor voted to do four years ago.

Four years ago, the Legislature passed a bill to sunset the SBT in 2009, without a replacement. Please explain to me how doing that four years ago, which twenty-seven of us on this floor did, either as members of the House or members of the Senate—I have to add, Mr. President, the person at the podium also voted to do this. How twenty-eight of the people on this floor four years ago voted to do exactly the same thing, but now it's irresponsible. I would argue doing it four years ago and pushing it off further is arguably more irresponsible than anything we are doing today.

But you can't have it both ways. You can't cast that vote to sunset the SBT, four years ago, and then flip-flop and say that it is irresponsible today. Now aside from the delicious irony and hypocrisy that those statements provide, let's take a step back and look at what needs to be done here in this state regarding the single business tax.

I think that the most fundamental question we have to ask ourselves today is whether the single business tax should be part of Michigan's future or not. It's really a yes-or-no question. My answer to that is it should not be part of our future. The single business tax is an antiquated tax. It was written, designed, and passed over thirty years ago when the commerce and economic activity of this state were dramatically different. It was designed really for one single purpose and that was to level off the peaks and valleys of state revenue. It was not designed with any consideration whatsoever for economic growth and certainly not designed for the new economy we are facing today.

To add insult to injury, it is a tax that penalizes companies for offering health care to their employees and for creating jobs because that goes into the base upon which the tax is calculated. So the most fundamental question of all is, is this tax going to be part of our future or not? I submit it should not be. The next question is, if that is true, how do you replace it, when do you replace it, and with what? As I mentioned, four years ago, twenty-seven current members of the Michigan Senate voted to sunset this tax in 2009 without any thought of a replacement revenue.

Now, clearly, one option is for us to wait until 2009. It's over three and a half years from today. I would argue that the status of Michigan's economy, the condition of Michigan industry, and the lack of job creation in this state argues persuasively and loudly against that option.

Our own actions as a Legislature in the last fifteen years, during which we have tinkered and tinkered with the SBT, trying to deal with the fact that it does penalize job creation, and it does penalize provision of health care. We have exempted many small companies from it because of a concern that it penalizes small companies which are the job creation engine of this state. We have in our own actions over the last fifteen years demonstrated that this tax has to be replaced. I just don't think that we can wait for three and a half years. When do we do it?

Now my view is aside from—put the politics aside—I think, you should do it when it has the best chance of success. This is not a very easy thing to do, to replace the single business tax. I am the first one to submit that this is not easy. But if you really believe that it has to be replaced, and you really believe that you can't wait for three and a half years, what kind of situation gives us the best chance of doing that in the right way? I think next year is the best chance.

This bill gives us twenty-one months to find a tax that is more pro-growth, more oriented toward economic expansion, and less onerous upon job creation. As I mentioned, this is not going to be easy. If this were easy, we would have done this a long time ago.

During the three years that I have had the honor and the privilege of serving as Majority Leader of this Senate, we have, at times in conjunction with the House, made three runs at this in a subsistent way. In our first year as Senators together, Senator Alan Sanborn chaired a committee that went around the state looking at the issue of Michigan competitiveness. At every hearing, he asked about the SBT and what could be done to replace it. Two years ago, Senator Cassis, as chair of Senate Finance Committee, and Representative Scott Shackleton did a task force inside the Republican Caucus for nine months asking people the same questions. Last year, the Senate Finance and House Taxation Committees conducted nine or ten hearings across the state on business tax policy. All three of those attempts resulted in we need to replace the SBT. We are not quite sure how. I am convinced that this tax will never ever go away unless you first end it and require the Legislature and the Governor to come up with a replacement. I do believe that there has to be a replacement.

I am one who doesn't get too excited about one day or a little less than what we are collecting—oh my goodness, a little more—exactly the same amount to the penny. By the way, if anyone can estimate that for twenty-one months from now, please let me know. That is really not the issue to me. The issue is once you replace it, the new business tax is not pro-growth. Is it less onerous of job creation? You know the SBT taxes companies when they create a job. It taxes companies when they provide health care to their employees. A growing economy will create more state revenue. I want to see a growing economy not just because of the state revenue issue, but because it means it provides jobs for Michigan citizens.

I have heard the statement that this is too risky, independent of fact that twenty-seven members of the current Senate did this four years ago; exactly the same thing—advanced the sunset of the SBT. I have heard the statement it is too risky. Is it risky? Sure, it's risky. It has an element of risk to it. It requires the next Legislature to come up with a replacement, something that is tough to do as I have mentioned before. It is a version, if you will, of brinkmanship not unlike what we did four years ago, certainly not unlike the dynamics of Proposal A in 1993. By the way, I like doing this on December 31 of next year. A handful of us had the privilege of working on Proposal A on Christmas Eve day and I wish that upon the rest of you as well.

Seriously, there is a greater risk, as much as this has an element of risk. The greater risk is doing nothing about this problem. That's the greater risk. We have one of the highest unemployment rates in the country. We are not creating the jobs. We are not attracting the businesses we need to create. What kind of risk does that represent to the Michigan citizens and to the next generation? Per quotes from various newspapers, you know, I have one.

How many more Michigan companies have to file Chapter 11 or flee the state before the politicians in Lansing get serious about a growth agenda? Step one should be to speed up the elimination of the state single business tax, which is scheduled to expire in 2009. Michigan has the fifth-highest business tax burden in the country and is the only state to levy a tax on business production.

You know, when the SBT was put in place in the mid-70s under a different Governor, it was heralded as the forerunner of state tax policy in America. The submission was, yes, you are the first state to do this, but other states are going to follow. This is the new revolutionary way of state tax policy. How many other states followed our lead and re-created something like the single business tax? To my knowledge, it's zero, over thirty-something years.

I will make one further comment and then I will close. I had a meeting one year ago in my office with a West Michigan company. They were complaining about the Governor's tax proposal last year because it would increase the burden upon them. They employee several thousand people in West Michigan. I listened to them, and at the end, I said,

“OK, you don’t like her proposal, etc., etc.” I also said to them, “If you were collectively the Governor and the Legislature in Michigan—essentially, if you were the czar—and you could do one thing to improve the business climate and job creation in Michigan—just one thing—what would you do?” They said, “We would eliminate the SBT.” It is such a unique tax that nationally its uniqueness has a chilling impact on investment. When we talked to investors, banks, Wall Street, and people from outside the state, when we talked to investors, they look at the SBT as an additional tax burden that no other state has. They said, “Senator, it is so difficult to get over the hurdle of trying to explain the SBT in the context of other states’ tax policy that if we could do one thing, we would eliminate the SBT.”

Members of the Senate, I hope you vote for this bill. I hope you see this in the context of improving the economic prospect of the state of Michigan for generations to come.

Senator Sanborn’s statement is as follows:

My friends, today if we fail to pass this initiative, or if the Governor should veto it if it does pass, the message that we will be sending the rest of the nation is that Michigan is not a good place to do business.

We have this SBT. It’s an egregious tax that is unique to Michigan. Then, for other companies thinking about doing business in the state of Michigan, you have to screw around with these unions, which today shut down four schools in the city of Detroit because of a sick-out.

We have an unfriendly regulatory environment, especially since the Governor vetoed the ergonomics prohibition. Now what companies will look to Michigan and want to rush here with that sort of mindset? Michigan will fail to compete if we do not pass this legislation.

I’ve heard it said that we have to replace this tax. We do have to meet our revenue obligations and we will. We have to replace the SBT, but today we have the opportunity of replacing the SBT with a welcome mat—a welcome mat to businesses from other states that Michigan is a good place to do business. They will see Michigan for what it is—as having a hardworking and educated work force.

Several legislators today quoted different newspapers. I recall one recently from the *Wall Street Journal*. It said the Granholm plan of chasing smokestacks with a fistful of dollars will do little to revive Michigan’s struggling economy. My friends, we have an opportunity to put out the welcome mat today. Will we put out that welcome mat, or will we board up the house? Will we be competitive? Will we help Michigan’s economy to grow and get Michigan working again? Will we have the courage to be reformers, and say “yes” to this legislation and say “yes” to Michigan?

Senator Basham’s second statement is as follows:

I would just like to respond—because there’s good debate going on about this piece of legislation—to the Senator from the 28th District’s comments. I guess I was one of those who supported the elimination of the SBT, but at that time when I supported it, there was a trigger and the trigger had to do with the budget stabilization fund. Also there was going to be gradual provisions in the elimination of the SBT, not what we’re doing today.

Also there was an understanding there would be a replacement tax. That hasn’t happened today either. I supported the Governor’s proposal to reduce the SBT from 1.9 to 1.2 percent and that’s a 37 percent reduction.

Also I supported the Governor’s proposal to close SBT loopholes. That was her jobs investment act that this Legislature poo-pooed. The Governor’s plan would have taken effect ironically January 1, 2006. That date’s already past. Governor Granholm is actually—one of the comments made earlier that we’ve lost jobs—she’s actually created jobs—300-and-some thousand to be exact. Unfortunately, a lot of those jobs are not manufacturing jobs.

When the Governor went to the auto industry, went to the White House to ask for help for the American manufacturers, President Bush said—and actually they wanted help with health care, cost of health care per automobile, and manipulation of currencies. They wanted to talk about fair trade issues and the President’s response was that the American manufacturers should build cars that are relevant. That’s interesting and I wonder what “relevant” means. The President should respond to the American manufacturers and actually take a ride in an American automobile, maybe even drive one once in a while. But I think our American-manufactured cars are relevant.

The Senator from the 11th District had commented in his remarks about unions. You know, whether you like unions or not, and he made some negative remarks about unions, they’re responsible for creating the largest majority of middle-income people in the world. And I just got through reading a book about the world is flat, but it shouldn’t be a race to the bottom to make the world flat at the bottom. It should be about lifting the bottom up.

And so if you go to countries that have no unions, then you’ll see two classes of people: the very, very wealthy and the very, very poor. There are no middle-income folks in those countries. And those middle-income folks, by the way, if you don’t like unions, are the purchasers. They’re the ones who are buying the big homes, sports utility vehicles, taking vacations, putting monies in tourism, and putting monies in hunting and fishing funds in this state. A lot of those union folks you’re badmouthing today, as their jobs disappear, so will their pocketbooks. So be careful what you ask for; you just might get it.

Senator Cassis’ first statement is as follows:

I remember very clearly one day in 1999, as chair of the House Tax Policy Committee, that I announced today we would be making history. The bill I sponsored would eliminate a 25-year-old single business tax by 2009. We all know

what has happened over the last seven years. Michigan's economy has struggled and struggled. We can only imagine what it would be like if the tax relief of the 1990s had not been enacted.

Unfortunately, a stagnate economy is so hampered by an outdated single business tax. It's been said that we are the only state in the nation to have a value-added tax. Hearings all over this state last year, testimony after testimony from Bronner's, Spartan Stores, the National Federation of Independent Business, Ford, GM, small and large businesses alike, on and on claiming this bill was onerous, perhaps, even insidious to our state.

Value-added tax in Michigan taxes health care. Still does, even though we've gotten rid of about 50 percent of that tax on health care. You know, the Governor's proposal for a 401(k) program that government would sponsor, if you do it as a private employer, you are going to get taxed on it.

So why stay here in Michigan as a business? Why come here anyway? Our poor business climate is hurting the attractiveness of our state. We've heard from local, county, and even state leaders like the county executive of my county, Brooks Patterson. They've given testimony and evidence that the SBT is hampering their driven efforts to bring business here.

Yes, we could state a lot of statistics after statistics. I will just quote one. The National Tax Foundation states that "Michigan has a mediocre overall tax rating at No. 26." We should be in the top 10, but we're not, in order to compete. The single business tax overall is ranked at 49th as the most onerous tax of all 50 states. No wonder we rank last in creating new jobs. Workers' anxiety, even those right now who are employed, is at an all-time rate. We've got to stop feeding this anxiety.

Yes, there is an urgency and we must act now. The pressure is on to do what our neighbor to the south, even Ohio did, and to get on with it now, and that is to restructure our business tax code. Make it more equitable and competitive. There's no question that business wants to pay its fair share. I emphatically emphasize that this will not be a shift to individuals. It's made abundantly clear in the bill we're about to pass. Please, please, my colleagues on the other side and this administration, stop, stop spreading unfounded fear tactics.

As, yes, an original champion of the repeal, I now appeal for an acceleration of the repeal to December 2007. I think my majority leader absolutely said it best: It will be very hard; it will be difficult. Human nature being what it is, we all tend to wait until the last minute.

So, yes, this bill will create the pressure and the deadline to act on a replacement. We look forward to the work and recommendation of the Governor's Council of Economic Advisors. We invite all interested persons and groups to share in the challenge before us. Let's become part of the solution, not part of the problem.

Several of my colleagues on the other side of the aisle are doubters of our ability as legislators to be bold, to be brave, to be courageous, and as we, each and every one of us, have been entrusted by the people of this state, it's time to be bold. I join in saying with others I have faith in us. We can and will do this. We will restructure Michigan's business taxes. So let us rise to the occasion and answer the call of our business community, our job providers.

Senator Goschka's statement is as follows:

I rise in support of House Bill No. 5743. I really hope that all of us in this body can take the issues of politics and partisanship out of the equation and look at the issue on its bare face.

The elimination of the single business tax, I believe that we would almost uniformly in this chamber agree needs to go. The question is when? We already know that the time is ticking on the phase-out, and that, indeed, it's going to be gone when 2010 shows up, but we know that in the interim, every single day the SBT is responsible for jobs leaving this state. Now we can opt as lawmakers to just simply sit back and do nothing or little and know that the big 800-pound gorilla in the room is the single business tax.

I do remember when Senate Bill No. 1 was passed in 1993, and it was an amendment at that time to eliminate the property tax for K-12 education, and we did go into session on December 23rd at 10:00 a.m., 1993, to work on Proposal A. We did not adjourn until 12:30 p.m. the next day—26 1/2 hours of a marathon session that ultimately gave us Proposal A. No question about it. I believe that in the Senate and in the House and in the administration that if and when we do this, eliminate the single business tax, we have the men and women in all three arenas—that is, the Senate, the House, and the administration—who can step up to the plate and come up with a better plan. That's exactly what we need to do.

I come at life to a great degree from a blue-collar, union perspective. With the people I worked with in the shops, we've always, of course, wanted the best for what we could get for working people, but at the same time, we recognized that we need our businesses; we need the best environment for our businesses. I believe that a huge step in that direction would be to eliminate the single business tax.

As you know, in this bill it does call for the Governor's Council of Economic Advisors, created in Executive Order 2003-8, to develop a plan to replace all or a portion of the revenue that would be lost in this. I cannot emphasize enough as just one lawmaker representing an area that has been hit hard by job losses that I believe that the responsible thing to do is to set aside partisanship and gamesmanship and really think of what is good policy for our state. I genuinely believe that if we vote today, and ultimately, if it's signed to eliminate the single business tax, we will send the very strongest message possible to job providers that we hear their cry that they need help; that we hear the cry of individuals throughout this state, families, that they need our help. That's why we're here.

The SBT has to go. I'd rather make it sooner than later. It's really the right thing to do. I hope that we rise above it all, stand tall and do what is right by the citizens of this state. Let's send the message not only to the other states around us, but to other countries throughout the world that we will not simply stand by and let the SBT cause the depletion of more jobs and more people from our state. We hold in our hand today the opportunity to do something that's very right, and that is to make Michigan competitive again. Until we do something with the SBT, the single business tax, to eliminate it, we will not be competitive.

Senator Brown's statement is as follows:

I rise in support of House Bill No. 5743. My constituents live on the border, and they look out across that border and see Indiana and Ohio inviting those industries that our inactivity is bringing their way. Michigan and Ohio understand what the word "competitive" means.

The motto of Sturgis is "Where success is a habit." That motto has been challenged in recent times not by the resolve of its leaders and citizens, but by an economic slump caused by our own lack of will to be fully competitive with surrounding states. The bold move we are preparing to make today will help restore the polish of the Sturgis motto—a motto, incidentally, we hope the rest of the state can adopt.

Michigan's recovery is in intensive care. The action we will take today can move us into recovery by helping Michigan's competitive stature within the union of states. The signal this will send to the rest of the country will be welcomed news to those industries who but for Michigan's single business tax would locate here.

When I go home at night, people first and foremost tell me they need work. They need a job. They need the dignity of work. Let's remove the one glaring impediment to job creation—the single business tax. Was it risky to re-cross the Delaware under the worse conditions possible? Yes. Was it risky to storm the cliffs of Normandy? Yes, of course. The difficult economic situation Michigan faces today places us well within the embrace of historic challenges. The odds against us are American odds. They are Michigan odds. The best response is a bold one that forces action, not timidity and faulty speculation that we are not capable of meeting the challenge this decision forces us ultimately to make. I support House Bill No. 5743 and urge others to do so as well.

Senator Bishop's statement is as follows:

I've enjoyed the debate today—a very lively debate on a very relevant issue. I'm just wondering, as I know there have been a lot of things said today and probably most of the things that we need to talk about have already been said, but I do owe it to my constituents to stand up and weigh in on the subject and participate in the dialogue. I'm just wondering, as I listen to the other side talk about this issue, is it irresponsible and cowardly, or is it useless rhetoric simply because it doesn't take effect until 2007? I don't understand the argument, and I don't think you have developed your argument in response to our proposal.

I'm looking at a district in southeast Michigan where I was born and raised. I have never ever seen my district in the condition that it's in today. We talk about a global economy. We talk about why George Bush is responsible for everything that we can talk about today, all the bad things that are happening in our economy. We shift the blame nationally because it's easy to do that. But if you stop and look, the rest of our nation's economy is doing quite well. And you look at the state of Michigan and our surrounding states, especially the state of Michigan, who finishes dead last in just about everything except one thing and that's unemployment, we seem to be lagging behind.

Now is George Bush focusing on Michigan and trying to drive us down? I don't think so. At some point in time, we've got to take responsibility for our own state and for our own future. Instead of doing the cowardly thing, which is to just ignore it or be in denial, because I will tell you, people, while you have your heads buried in the sand over there and blaming it on the rest of this country and the President of the United States, there are other states, other businesses in other states that are recruiting our businesses right here in this country—Indiana, Tennessee, Kentucky, Oklahoma, Georgia, Arizona—states that not too long ago, we were recruiting their businesses. This state was the place to go to.

Today we're in a position where we can make a dramatic step in the right direction on behalf of our businesses. We can pull our heads out of the sand and take matters into our own hands, or we can continue to blame it on everybody else. But I suggest to you that we take matters into our hands and address one of the most egregious taxes in the country.

I owe it to the constituents of my community. I've had a chance to speak with many different businesses in my community and I've asked them to do a simple thing. I've asked them to show me where their costs are in their company. If you have businesses in other states, show me where your costs are in those businesses in other states. Routinely, they come back to me and tell me one of the biggest concerns they have is our tax burden in this state. Now we're talking about a tax being phased out in 2007, and I hear a lot of drama over there about how that's such a big deal, like the world is going to end.

We can make a difference in the next 21 months if we truly come together and want to make a difference. The single business tax is a burden that we can get rid of, and we should do that together and work together on that.

I'm also enjoying, during this debate, this epiphany that's going on with regard to good public policy and honest debate. And I hope that in the future that policy is one that you'll adopt in the future.

I just want to suggest to you that recently in my committee, Banking and Financial Institutions, I had an amendment offered that would have dramatically, dramatically decreased the amount of revenue to the state coffers, offered in committee without any problem, without any discussion, about the impact on the state. It was offered in a way just to be political, just to continue the rhetoric and to cast the blame. I suggest to you that exactly is what you are arguing against today. And I certainly hope that in the future you continue on with your new-founded belief in honest debate and good public policy.

Today is an important day. I stand very firmly behind House Bill No. 5743. We've got to stop flip-flopping on our policy. We need to move straightforward. This is good, meaningful relief to business. Let's vote on this. Let's do the right thing. Let's not be political and let's get this state rolling again.

Senator Cassis' second statement is as follows:

I rise because I have great respect for the minority vice chair of the Finance Committee. However, I need to offer a statement. Some weeks ago, a bill was before the Senate and the Legislature that would reduce the alternative tax businesses pay on the single business tax and would help 35,000 small businesses. It would reduce the rate from 2 percent down to 1 percent. It would help our job providers. It would help diversify our state. The Governor chose to veto that bill for the small businesses of our state. Yesterday and today, as a matter of fact, a very similar bill that does the same thing. I only wish that my colleague on the other side of the aisle had signed this bill.

Our small businesses are the hope of our future. We want to help them and not forever hurt them. I stand up for all of the small businesses today in this state.

Senator Thomas' statement, in which Senator Scott concurred, is as follows:

The debate today clearly has been long, and we've touched on a number of issues. I wanted to rise to speak very, very briefly, no more than two minutes, on an issue that we really haven't discussed.

Next week I'm going to be a small business owner. I'm opening my small business—a business of three individuals and I'm excited about that. As a small business owner, I'm looking at all of the different folks who are really protected in this legislation or are potentially protected. As we look at replaced revenue, we're not going to raise the state income tax, we're not going to raise the state sales tax, the use tax, the residential property tax, and we've got this little thing in quotes saying we're going to protect individuals, although, I really doubt that we are.

We've had so much discussion today about standing up for big manufacturing, and we're doing this for manufacturing, and we're going to protect our core industry and our core groups. As a small business owner, I haven't heard anyone say that I'm protected from this replacement revenue. I believe, I frankly believe that as we're looking, as future legislatures are looking at raising revenue to replace what we are eliminating here today, small business is going to bear the brunt of that. Time and time again, we talk about small businesses as the engine that makes Michigan grow. You know, 60 percent of the start-up businesses are small businesses and we're the ones that are making things happen. Well, if we're making things happen, then why is it that we, small business, are the only ones in this supposed panacea for Michigan that are not protected.

To my fellow colleagues and small business, Mr. and Mrs. Small Business, Main Street, Michigan, be wary of your Michigan Legislature because I think they are doing something to us and it ain't nice.

Senator Cropsey's statement is as follows:

I have great news and I just want everyone to know it. This morning in Greenville, Michigan, the Governor of this great state and the State Representative of Montcalm County held a press conference along with United Avionics saying that they are going to be bringing 200 new jobs into Greenville, Michigan. That is wonderful news for Greenville. Perhaps over the next few years—by the way, this is at a cost of \$129 million—eventually we are hoping that that will expand to 1,200 new jobs in Greenville, Michigan.

Now that is great, great news. It's wonderful news for the city of Greenville. When you take a look at what has happened in that community and in the whole Montcalm County area, Electrolux left with 3,000 manufacturing jobs; Hitachi left Edmore, Michigan—little town of about 1,200 when at one time they employed about 700 people; three years ago, it was 500 people. Tower Manufacturing just announced that 200 jobs are leaving Greenville, Michigan also. So the good news is we are getting a couple hundred jobs immediately, hopefully, 1,000 more. The bad news is we have lost about 3,900 direct manufacturing jobs in that county over the last two or three years.

When I take a look at it, we have got to do more. We've got to do much more. When I was first elected a long time ago, the single business tax had been in effect for a few years. The No. 1 complaint I received from individuals was property taxes; the No. 1 complaint I received from businesses was the single business tax.

Fortunately, ten years under the audacious leadership of United State Senator Stabenow, we took care of the property tax problem for most people. That was with Senator Stabenow and John Engler, Dick Posthumus, and the leadership in the State House of Representatives. They said, "You know what, property taxes are just going to be taken off the

table.” If it’s not going to be property taxes, it’s going to be something else. That has been amazingly successful—amazingly successful. Now that horrendous tax has been alleviated on most people in this state.

We do have another horrendous tax that has been around for thirty years that is a job killer. Make no mistake about it, the Majority Leader was absolutely correct; it is a job killer. It’s a job chiller and a job killer.

In looking at this legislation, we have got to get rid of this tax. We have got to say that this tax is not going to be an option to have this tax that is a job-killing tax anymore. We have to come up with a replacement. Hopefully, we won’t have to replace it. If we do have to come up with a replacement, this is what is set out in the tax. We have had people on the other side of the aisle say, “What are you going to do? Are you going to increase the income tax? What other taxes are you going to increase?” The legislation that I will be voting on, the Senate substitute for House Bill No. 5743, which is S-2, which is what we are discussing right now, says this, and you might want to read it. On line 8. “Enacting section 4. The legislature shall replace the single business tax imposed under the single business tax act, ...with a tax or taxes that are more conducive to job creation, investment, and economic growth. The legislature shall not replace revenues not collected based on the repeal by this act of the single business tax... with an increase in the rate or base of any of the following:”

What we cannot increase the rate or bases of “(a) The state income tax imposed under...,” which is what individuals pay.

“(b) The sales tax imposed under the general sales tax act...” Why is that? Because that is what individuals pay.

“(c) The use tax imposed under the use tax act...”

(d) Taxes collected on residential real property that is not leased or rented...,” it goes on? Why is that? Because it is residential real property. People pay that tax and then it gives a definition of residential real property on principal residence.

Then (e) is going to be the catch-all. It says, “Any other tax the economic incidence of which is on individuals.” When you are voting for this, you are saying let’s kill the job-killer tax. We have to come up with a solution that is not going to tax individuals in this state. Am I for this? Yes, I am for this. Do I think we can do it? You know what? I think we can do it.

The Legislature twelve years ago, thirteen years, did it with the property tax and the school funding. Can this next Legislature do it to help businesses in this state, to help provide jobs in this state? I think we are going to be up to it. I would hope that we would be optimistic enough to say that we can do it, we will do it, and we are going to, and we will absolutely make the promise to the people in the state of Michigan. It’s not going to be on individuals. We are going to make sure that we have a tax that is not killing jobs.

By unanimous consent the Senate proceeded to the order of

### **Introduction and Referral of Bills**

Senator Kuipers introduced

**Senate Bill No. 1184, entitled**

A bill to amend 1976 PA 451, entitled “The revised school code,” (MCL 380.1 to 380.1852) by adding section 1752. The bill was read a first and second time by title and referred to the Committee on Education.

Senators Jelinek, Goschka, Brown, Cropsey, McManus and Barcia introduced

**Senate Bill No. 1185, entitled**

A bill to amend 1961 PA 236, entitled “Revised judicature act of 1961,” (MCL 600.101 to 600.9947) by adding section 2922b.

The bill was read a first and second time by title and referred to the Committee on Judiciary.

Senators Scott, Barcia, Olshove, Clark-Coleman, Jacobs and Brater introduced

**Senate Bill No. 1186, entitled**

A bill to amend 1931 PA 328, entitled “The Michigan penal code,” (MCL 750.1 to 750.568) by adding chapter LXVIIA. The bill was read a first and second time by title and referred to the Committee on Judiciary.

Senators Scott, Barcia, Olshove, Clark-Coleman, Jacobs and Brater introduced

**Senate Bill No. 1187, entitled**

A bill to amend 1927 PA 175, entitled “The code of criminal procedure,” by amending section 16w of chapter XVII (MCL 777.16w), as amended by 2004 PA 424.

The bill was read a first and second time by title and referred to the Committee on Judiciary.



Senator Hammerstrom introduced

**Senate Bill No. 1188, entitled**

A bill to amend 1989 PA 88, entitled "An act to regulate watercraft and outboard motor manufacturers, distributors, dealers, and their representatives; and to regulate dealings between those manufacturers and distributors and their dealers," by amending the title and sections 1, 2, 3, 4, 5, 6, and 7 (MCL 445.541, 445.542, 445.543, 445.544, 445.545, 445.546, and 445.547) and by adding sections 4a, 4b, 4c, 4d, 4e, 4f, 4g, 7a, 7b, 7c, 7d, 7e, 7f, and 8.

The bill was read a first and second time by title and referred to the Committee on Economic Development, Small Business and Regulatory Reform.

**House Bill No. 5192, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 43517, 43520, and 43525 (MCL 324.43517, 324.43520, and 324.43525), sections 43517 and 43520 as added by 1995 PA 57 and section 43525 as amended by 1996 PA 585.

The House of Representatives has passed the bill.

The bill was read a first and second time by title and referred to the Committee on Natural Resources and Environmental Affairs.

**House Bill No. 5324, entitled**

A bill to amend 1988 PA 161, entitled "Consumer financial services act," by amending sections 2, 5, 6, and 10g (MCL 487.2052, 487.2055, 487.2056, and 487.2060g), section 2 as amended and section 10g as added by 2002 PA 390 and sections 5 and 6 as amended by 1999 PA 275.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Banking and Financial Institutions.

**House Bill No. 5328, entitled**

A bill to regulate the money transmission services business; to require the licensing of persons engaged in providing money transmission services; to prescribe powers and duties of certain state agencies and officials; to prescribe penalties and provide remedies; and to repeal acts and parts of acts.

The House of Representatives has passed the bill.

The bill was read a first and second time by title and referred to the Committee on Banking and Financial Institutions.

**House Bill No. 5329, entitled**

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 14p of chapter XVII (MCL 777.14p), as added by 2002 PA 29.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Banking and Financial Institutions.

**House Bill No. 5753, entitled**

A bill to amend 1984 PA 431, entitled "The management and budget act," by amending section 213 (MCL 18.1213).

The House of Representatives has passed the bill.

The bill was read a first and second time by title and referred to the Committee on Transportation.

**House Bill No. 5852, entitled**

A bill to amend 1954 PA 116, entitled "Michigan election law," (MCL 168.1 to 168.992) by adding section 634a.

The House of Representatives has passed the bill.

The bill was read a first and second time by title and referred to the Committee on Government Operations.

### Statements

Senator Garcia stated that had he been present on March 15 when the votes were taken on the passage of the following bills, he would have voted "yea":

**Senate Bill No. 969**

**House Bill No. 4555**

**House Bill No. 5258**

Senator Garcia stated that had he been present on March 15 when the votes were taken on concurring in the House amendments to the following bills, he would have voted "yea":

**Senate Bill No. 208**  
**House Bill No. 4446**

Senator Garcia stated that had he been present on March 16 when the vote was taken on concurring in the House amendment to the following bill, he would have voted "yea":

**House Bill No. 5240**

Senator Garcia stated that had he been present on March 16 when the votes were taken on the passage of the following bills, he would have voted "yea":

**Senate Bill No. 881**  
**Senate Bill No. 882**  
**House Bill No. 4643**  
**Senate Bill No. 816**  
**Senate Bill No. 817**  
**Senate Bill No. 945**  
**Senate Bill No. 541**  
**Senate Bill No. 1124**

Senator Garcia stated that had he been present on March 21 when the vote was taken on concurring in the House amendment and House substitute to the following bills, he would have voted "yea":

**Senate Bill No. 907**  
**Senate Bill No. 932**

Senator Scott asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator Scott's statement is as follows:

"Dear Senator Martha G. Scott: I just wanted to say that the cost of insurance in the city of Detroit is not only causing pain in my finances as far as my mortgage note increasing, but also the affordability in assessing a newer vehicle. I own my 1999 Cutlass Oldsmobile outright and have been considering for some time to purchase another vehicle since the Olds is starting to cost large sums of money for repair. But every time I make the insurance payment for the Olds, I cannot see myself clear of affording an insurance payment on a newer vehicle.

Additionally, because of the high cost for insurance, my daughter and husband have decided to purchase a home outside of Detroit, somewhere they have both lived all of their lives, where we would see each other three to four times each week. Since this last insurance hike, and in conjunction with all the other increases, gas and so forth, I will now see my children only every two weeks. No, that might be okay to most, but I am a firm believer in the family. I know they would have purchased in the city if it had been more economical.

Well, this is all I have to say for now. I know I might be struggling and still making ends meet, but I can't help but wonder about all of those who might not be as fortunate as me and all of the people who are driving around without insurance. If something deadly happens, their families cannot even get something to carry them through the heartaches and the hard times."

It doesn't indicate where this one came from, but we know it's from Michigan. We know we must do something to help families. We sat here and debated about businesses today. We need to do something about these families.

### **Committee Reports**

The Committee on Judiciary reported

**Senate Bill No. 709, entitled**

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending section 520b (MCL 750.520b), as amended by 2002 PA 714.

With the recommendation that the substitute (S-3) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Alan L. Cropsey  
 Chairperson

## To Report Out:

Yeas: Senators Cropsey, Bishop, Sanborn, Patterson, Schauer, Whitmer and Brater

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Judiciary reported

**Senate Bill No. 717, entitled**

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 16y of chapter XVII (MCL 777.16y), as amended by 2000 PA 279.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Alan L. Cropsey  
Chairperson

## To Report Out:

Yeas: Senators Cropsey, Bishop, Sanborn, Patterson, Schauer, Whitmer and Brater

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Judiciary reported

**Senate Bill No. 718, entitled**

A bill to amend 1953 PA 232, entitled "Corrections code of 1953," by amending section 34 (MCL 791.234), as amended by 2004 PA 218.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Alan L. Cropsey  
Chairperson

## To Report Out:

Yeas: Senators Cropsey, Bishop, Sanborn, Patterson, Schauer, Whitmer and Brater

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Judiciary reported

**Senate Bill No. 1122, entitled**

A bill to amend 1953 PA 232, entitled "Corrections code of 1953," by amending section 36 (MCL 791.236), as amended by 2003 PA 75, and by adding section 7b.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Alan L. Cropsey  
Chairperson

## To Report Out:

Yeas: Senators Cropsey, Bishop, Sanborn, Patterson, Schauer and Whitmer

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Judiciary reported

**Senate Bill No. 1146, entitled**

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending section 199 (MCL 750.199).

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Alan L. Cropsey  
Chairperson

## To Report Out:

Yeas: Senators Cropsey, Sanborn, Schauer, Whitmer and Brater

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Judiciary reported

**Senate Bill No. 1147, entitled**

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 16j of chapter XVII (MCL 777.16j), as added by 1998 PA 317.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Alan L. Cropsey  
Chairperson

To Report Out:

Yeas: Senators Cropsey, Sanborn, Schauer, Whitmer and Brater

Nays: None

The bill was referred to the Committee of the Whole.

#### COMMITTEE ATTENDANCE REPORT

The Committee on Judiciary submitted the following:

Meeting held on Tuesday, March 21, 2006, at 1:10 p.m., Room 210, Farnum Building

Present: Senators Cropsey (C), Bishop, Sanborn, Patterson, Schauer, Whitmer and Brater

The Committee on Finance reported

**House Bill No. 5743, entitled**

A bill to repeal acts and parts of acts.

With the recommendation that the substitute (S-2) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Nancy Cassis  
Chairperson

To Report Out:

Yeas: Senators Cassis, Allen and McManus

Nays: Senators Thomas and Brater

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

#### COMMITTEE ATTENDANCE REPORT

The Committee on Finance submitted the following:

Meeting held on Tuesday, March 21, 2006, at 2:38 p.m., Senate Hearing Room, Ground Floor, Boji Tower

Present: Senators Cassis (C), Allen, McManus, Thomas and Brater

#### COMMITTEE ATTENDANCE REPORT

The Committee on Government Operations submitted the following:

Meeting held on Tuesday, March 21, 2006, at 1:02 p.m., Rooms 402 and 403, Capitol Building

Present: Senators Sikkema (C), Hammerstrom, Allen, Cassis, Jacobs and Thomas

Excused: Senator Emerson

#### Scheduled Meetings

**21st Century Jobs Funds Joint Select Oversight Committee (SCR 38)** - Thursday, March 23, 1:30 p.m., Room 327, South Tower, House Office Building (373-2420)

**Agriculture, Forestry and Tourism** - Thursday, March 23, 8:30 a.m., Room 110, Farnum Building (373-1635)

**Appropriations -****Subcommittees -**

**Agriculture** - Thursdays, April 20, April 27, May 4, May 11 and May 18, 3:30 p.m., Room 100, Farnum Building (373-5932)

**Capital Outlay** - Thursday, March 23, 9:00 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-2523)

**State Police and Military Affairs** - Thursdays, April 20, April 27, May 4, May 11 and May 18, 2:00 p.m., Room 100, Farnum Building (373-5932)

**Transportation Department** - Tuesdays, April 18, April 25, May 2, May 9, May 16 and May 23, 2:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-2523)

**Education** - Thursday, March 23, 2:00 p.m., Room 210, Farnum Building (373-6920)

**Natural Resources and Environmental Affairs/House Natural Resources, Great Lakes, Land Use and Environment** - Tuesday, March 28, 3:00 p.m., Room 519, South Tower, House Office Building (373-3447)

**State Drug Treatment Court Advisory Committee** - Tuesday, March 28, 9:15 a.m., Legislative Council Conference Room, 3rd Floor, Boji Tower (373-0212)

**Transportation** - Tuesday, March 28, 1:00 p.m., Room 110, Farnum Building (373-7708)

**Transportation, Senate/House** - Thursdays, March 23 and March 30, 12:30 p.m., Room 519, South Tower, House Office Building (373-7708)

Senator Hammerstrom moved that the Senate adjourn.  
The motion prevailed, the time being 12:57 p.m.

The President pro tempore, Senator Birkholz, declared the Senate adjourned until Thursday, March 23, 2006, at 10:00 a.m.

CAROL MOREY VIVENTI  
Secretary of the Senate

