

No. 77
STATE OF MICHIGAN
Journal of the Senate
93rd Legislature
REGULAR SESSION OF 2006

Senate Chamber, Lansing, Wednesday, August 30, 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

Reverend Sidney C. Griffin, Sr., of Pilgrim Baptist Church of Detroit offered the following invocation:

Our Father and our God, we come now with bowed heads and humble hearts, asking You to invoke upon these Your people. We ask, God, that You would especially bless them as they deliberate and as they do those things that are necessary for the people of our city, our state, our nation, and our world.

We know, God, that You can and we believe, God, that You will inspire their hearts, motivate their minds, and generate their spirits that they might be the people that You are calling for in this day and this time. For such a time as this, the need is great; the hour has come.

We're asking that You bless each and everyone by the power that You have—we ask it. Amen.

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

Motions and Communications

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

Senate Bill No. 246

The motion prevailed.

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

The motion prevailed.

The following communication was received and read:

Department of State

August 10, 2006

This will acknowledge receipt of the initiative petition entitled "An initiation of legislation to repeal 1975 PA 228, entitled "Single business tax act," (MCL 208.1 to 208.145); to provide for the collection of taxes due under current law on business activity in this state through December 31, 2007; and to encourage the legislature to adopt a tax that is less burdensome and less costly to employers, and more conducive to job creation and investment," which was approved the Michigan House of Representatives on August 9, 2006 and filed with this Department on August 9, 2006. The initiative petition was also approved by the Michigan Senate on August 9, 2006 and filed with this Department on August 9, 2006.

The initiative petition has been assigned Act 325 of the Public Acts of 2006.

Sincerely
Terri Lynn Land
Secretary of State

The communication was referred to the Secretary for record.

The following communication was received:

Emergency Telephone Service Committee

August 2006

2005 was another productive year for the Emergency Telephone Service Committee (ETSC) and the 9-1-1 community. The major news for our state is that in December 2005 the ETSC certified all eighty-three counties as compliant (capable of receiving and processing) with Phase II wireless 9-1-1. There are still areas in the state with wireless providers in the process of bringing Phase II on-line, this will be an ongoing process as providers expand service areas and new providers enter the market.

In addition to moving forward in wireless 9-1-1, the ETSC and its subcommittees also worked on other issues vital to 9-1-1. In July of 2005 the Legislative Action Subcommittee of the ETSC named a work group consisting of members of the 9-1-1 system from both the private and public sectors to research and evaluate a stable funding mechanism for Michigan. Known as the Stable Funding Work Group (SFWG), its membership consists of both the public and private sectors. The dedicated members of the SFWG have spent hours exploring options for a viable funding solution for 9-1-1. A final recommendation for funding will be issued by the ETSC in the fall of 2006.

In addition to its recommendation on funding, the ETSC will also be seeking your support for legislative action in the near future for other improvements to our state's 9-1-1 system. This includes considerations for dispatcher training and "next generation" 9-1-1 network technology. As the chair of the ETSC, I believe in the proactive and participative pursuit of a strong 9-1-1 system. Throughout this past year the ETSC, its subcommittees, and the State 9-1-1 Office have worked to provide the 9-1-1 community with opportunities for learning, input, and collaboration.

Other items of progress in Michigan 9-1-1 since the 2005 Report to the Legislature include; the ongoing deployment of E9-1-1 on Voice over the Internet Protocol (VoIP), the hosting of statewide 9-1-1 updates, the issuance of ETSC's

recommended Policy F for PSAPs' ongoing wireless E911 location testing, and support of activity at the local level to bring enhanced 9-1-1 to both landline and wireless services statewide.

As the body tasked by statute to guide 9-1-1 in Michigan we will continue to look to you, the elected leaders for the State of Michigan, for the support we need to out our vision of 9-1-1 for the safety and welfare of every resident of and visitor to our great state. The accomplishment and continued vision of our state being a leader in the nation in delivering 9-1-1 service is due to the commitment, professionalism, and dedication of the staff and directors of the 183 public safety answering points throughout Michigan, the providers of communication services, and each of you - the elected leaders of Michigan.

The ETSC looks forward to working closely with you in the months ahead as we strive to continue the quality 9-1-1 service we all enjoy in Michigan.

Sincerely,
Dale Gribler, Sheriff
Chair

The communication was referred to the Secretary for record.

The following communication was received:
Department of Environmental Quality

August 1, 2006

I am pleased to present the Department of Environmental Quality's (DEQ's) status report on the implementation of the Great Lakes Water Quality Bond. This report is being submitted to the Legislature in accordance with Section 501 of Public Act 154 of 2005, the Fiscal Year 2006 Appropriation Bill for the DEQ.

The report summarizes recent activities in two programs, the State Revolving Fund (SRF) and the Surface Water Quality Initiatives Fund (SWQIF), which provide low interest rate loans to municipalities for water quality improvement projects.

I trust the members of the Senate will find this report informative. If you have comments or questions about this report, please contact Ms. Amy A. Butler, Chief, Environmental Science and Services Division, at 517-241-0490, or you may contact me.

Sincerely
Steven E. Chester
Director
517-373-7917

The communication was referred to the Secretary for record.

The following communications were received:
Department of Human Services

August 11, 2006

Pursuant to Section 1002 of P.A. 147 of 2005, we are enclosing a copy of the following reports:

<u>Type of Report</u>	<u>Facility</u>	<u>License #</u>
Interim	Houghton County DHS	CP310201180
Interim	Otsego/Crawford County DHS	CP690201347

These reports were performed in compliance with the requirements of P.A. 116 of 1973 as amended, and the Administrative Rules for Child Caring Institutions. These reports may also be viewed on our website, within 48 hours, under "News, Publications and Information" at the following address: <http://www.michigan.gov/dhs/>.

If you have any questions regarding this information, please feel free to contact Miriam E. J. Bullock at 517-373-8383.

August 11, 2006

Pursuant to Section 1002 of P.A. 147 of 2005, we are enclosing a copy of the following report:

<u>Type of Report</u>	<u>Facility</u>	<u>Report #</u>	<u>License #</u>
Special Investigation Report	Woodland Center	2006C0207017	CS470245817

This report was performed in compliance with the requirements of P.A. 116 of 1973 as amended, and the Administrative Rules for Child Caring Institutions. The report may also be viewed on our website, within 48 hours, under "News, Publications and Information" at the following address: <http://www.michigan.gov/dhs/>.

If you have any questions regarding this information, please feel free to contact Miriam E. J. Bullock at 517-373-8383.

August 24, 2006

Pursuant to Section 1002 of P.A. 147 of 2005, we are enclosing a copy of the following reports:

<u>Type of Reports</u>	<u>Facility</u>	<u>Report #</u>	<u>License #</u>
Special Investigation Reports	Arbor Heights Community Justice	2006C0207019 2006C0207025	CS810200952

These reports were performed in compliance with the requirements of P.A. 116 of 1973 as amended, and the Administrative Rules for Child Caring Institutions. These reports may also be viewed on our website, within 48 hours, under "News, Publications and Information" at the following address: <http://www.michigan.gov/dhs/>.

If you have any questions regarding this information, please feel free to contact Miriam E. J. Bullock at 517-373-8383.

Sincerely,
Marianne Udow

The communications were referred to the Secretary for record.

The following communications were received:
Office of the Auditor General

August 16, 2006

Enclosed is a copy of the following audit report:

Performance audit of the Fire Safety Inspection Program, Bureau of Construction Codes and Fire Safety, Department of Labor and Economic Growth.

August 16, 2006

Enclosed is a copy of the following audit report:

Performance audit of Recovery Process for Overissuances of Public Assistance Benefits, Department of Human Services.

August 18, 2006

Enclosed is a copy of the following audit report:

Performance audit of the Museum Artifacts and Archival Records, Michigan Historical Center, Department of History, Arts, and Libraries.

August 22, 2006

Enclosed is a copy of the following audit report:

Performance audit of the Fisheries Division, Department of Natural Resources.

August 23, 2006

Enclosed is a copy of the following audit report:

Performance audit of Statewide Information Technology Contracting Practices, Department of Management and Budget and Department of Information Technology.

August 24, 2006

Enclosed is a copy of the following audit report:

Follow-up of the performance audit of Hiring, Training, and Staff Development Programs, Department of Corrections.

August 24, 2006

Enclosed is a copy of the following audit report:

Financial audit of the School Bond Loan Fund and School Loan Bond Redemption Fund, Department of Treasury, for the period October 1, 2002 through September 30, 2005.

August 24, 2006

Enclosed is a copy of the financial statements, together with the Auditors' Report, of the Bureau of State Lottery for the six-month periods ended March 31, 2006 and 2005.

If you have any questions regarding this report, please call me; Scott M. Strong, C.P.A., Deputy Auditor General; or Laura J. Hirst, C.P.A., Audit Division Administrator, who administers our contractual audits.

Sincerely,
Thomas H. McTavish, C.P.A.
Auditor General

The communications were referred to the Secretary for record.

The Secretary announced that the following initiative petition has been filed with the Secretary of State:

Legislative Initiative Petition

An initiation of legislation to repeal 1975 PA 228, entitled "Single business tax act," to provide for the collection of taxes due under current law on business activity in this state through December 31, 2007; and to encourage the legislature to adopt a tax that is less burdensome and less costly to employers, and more conducive to job creation and investment.

(Filed with the Secretary of State on August 9, 2006, at 4:06 p.m.)

The Secretary announced that the following official bills were printed on Thursday, August 10, and are available at the legislative website:

Senate Bill Nos.	1365	1366	1367	1368	1369	1370	1371	1372	1373	1374	1375	1376	1377	1378
	1379	1380	1381	1382	1383	1384	1385	1386	1387	1388	1389	1390		
House Bill Nos.	6313	6314	6315	6316	6317	6318	6319	6320	6321	6322	6323	6324	6325	6326
	6327	6328	6329	6330	6331	6332	6333	6334	6335	6336	6337	6338	6339	6340
	6341	6342	6343											

The Secretary announced that the following official bills and joint resolution were printed on Thursday, August 17, and are available at the legislative website:

House Bill Nos.	6344	6345	6346	6347	6348	6349	6350	6351	6352	6353	6354	6355	6356	6357
House Joint Resolution	AA													

The Secretary announced that the following official bills were printed on Wednesday, August 23, and are available at the legislative website:

House Bill Nos.	6358	6359	6360	6361	6362
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The Secretary announced that the following official bills were printed on Tuesday, August 29, and are available at the legislative website:

House Bill Nos.	6363	6364
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Senator Emerson entered the Senate Chamber.

By unanimous consent the Senate proceeded to the order of
Messages from the House

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

Senate Bill No. 435

Senate Bill No. 640

The motion prevailed.

House Bill No. 6213, entitled

A bill to amend 1964 PA 154, entitled "An act to fix minimum wages for employees within this state; to prohibit wage discrimination; to provide for the administration and enforcement of this act; and to prescribe penalties for the violation of this act," by amending section 14 (MCL 408.394), as amended by 1998 PA 37.

(This bill was returned from the House, as requested, on June 29 and the motion for immediate effect postponed. See Senate Journal No. 66, p. 1513.)

The question being on the motion to give the bill immediate effect,
Senator Hammerstrom withdrew the motion.

By unanimous consent the Senate returned to the order of
Motions and Communications

Senator Hammerstrom moved that a respectful message be sent to the House of Representatives requesting the return of the following bill:

House Bill No. 6213

The motion prevailed.

Recess

Senator Hammerstrom moved that the Senate recess subject to the call of the Chair.
The motion prevailed, the time being 10:09 a.m.

11:24 a.m.

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

Senator Hammerstrom moved that the Committee on Government Operations be discharged from further consideration of the following bill:

Senate Bill No. 1364, entitled

A bill to amend 1964 PA 154, entitled "Minimum wage law of 1964," by amending section 4b (MCL 408.384b), as added by 1997 PA 1.

The motion prevailed, a majority of the members serving voting therefor, and the bill was placed on the order of General Orders.

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

Senate Bill No. 1364

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

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 Birkholz 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. 6247, entitled

A bill to amend 1976 PA 453, entitled "Elliott-Larsen civil rights act," (MCL 37.2101 to 37.2804) by adding section 404a.

House Bill No. 6223, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 8134 (MCL 500.8134), as amended by 1998 PA 279.

House Bill No. 6224, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," (MCL 500.100 to 500.8302) by adding section 8133a.

House Bill No. 6225, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," (MCL 500.100 to 500.8302) by adding section 8124a.

House Bill No. 6226, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 8124 (MCL 500.8124), as added by 1989 PA 302.

House Bill No. 6227, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 8111 (MCL 500.8111), as amended by 1992 PA 182.

House Bill No. 6228, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 7945 (MCL 500.7945), as amended by 1980 PA 41.

House Bill No. 6229, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 7941 (MCL 500.7941), as amended by 1990 PA 137.

House Bill No. 6230, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 7931 (MCL 500.7931), as amended by 1980 PA 41.

House Bill No. 6231, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 7925 (MCL 500.7925), as amended by 1980 PA 41.

House Bill No. 6232, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 7921 (MCL 500.7921), as amended by 1993 PA 200.

House Bill No. 6233, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 7918 (MCL 500.7918), as amended by 2001 PA 182.

House Bill No. 6234, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 7911 (MCL 500.7911), as amended by 1993 PA 200.

House Bill No. 6235, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 3503 (MCL 500.3503), as added by 2000 PA 252.

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:

House Bill No. 4264, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," (MCL 380.1 to 380.1852) by adding section 475. 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.

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 bills, now on the order of Third Reading of Bills, be placed on their immediate passage at the head of the Third Reading of Bills calendar:

House Bill No. 4264

House Bill No. 6247

House Bill No. 6223

House Bill No. 6224

House Bill No. 6225

House Bill No. 6226

House Bill No. 6227

House Bill No. 6228

House Bill No. 6229

House Bill No. 6230

House Bill No. 6231

House Bill No. 6232

House Bill No. 6233

House Bill No. 6234

House Bill No. 6235

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

The following bill was read a third time:

House Bill No. 4264, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," (MCL 380.1 to 380.1852) by adding section 475. 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. 617

Yeas—33

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

Nays—5

Brater	Patterson	Toy	Whitmer
Jacobs			

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.

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

“An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies, intermediate school districts, and other public school entities; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, intermediate school districts, and other public school entities; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts.”.

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 6247, entitled

A bill to amend 1976 PA 453, entitled “Elliott-Larsen civil rights act,” (MCL 37.2101 to 37.2804) by adding section 404a.

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. 618

Yeas—33

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

Nays—5

Brater	Patterson	Toy	Whitmer
Jacobs			

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.

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

“An act to define civil rights; to prohibit discriminatory practices, policies, and customs in the exercise of those rights based upon religion, race, color, national origin, age, sex, height, weight, familial status, or marital status; to preserve the confidentiality of records regarding arrest, detention, or other disposition in which a conviction does not result; to prescribe the powers and duties of the civil rights commission and the department of civil rights; to provide remedies and penalties; to provide for fees; and to repeal certain acts and parts of acts.”.

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 6223, entitled

A bill to amend 1956 PA 218, entitled “The insurance code of 1956,” by amending section 8134 (MCL 500.8134), as amended by 1998 PA 279.

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. 619

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

Senator Hammerstrom moved that the bill be given immediate effect.

The motion prevailed, 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 revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker’s compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide

for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act.”.

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 6224, entitled

A bill to amend 1956 PA 218, entitled “The insurance code of 1956,” (MCL 500.100 to 500.8302) by adding section 8133a.

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. 620

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

Senator Hammerstrom moved that the bill be given immediate effect.

The motion prevailed, 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 revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out

of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker's compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act.”.

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 6225, entitled

A bill to amend 1956 PA 218, entitled “The insurance code of 1956,” (MCL 500.100 to 500.8302) by adding section 8124a.

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. 621

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

Senator Hammerstrom moved that the bill be given immediate effect.

The motion prevailed, 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 revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to

provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker’s compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act.”.

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 6226, entitled

A bill to amend 1956 PA 218, entitled “The insurance code of 1956,” by amending section 8124 (MCL 500.8124), as added by 1989 PA 302.

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. 622

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

Senator Hammerstrom moved that the bill be given immediate effect.

The motion prevailed, 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 revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker’s compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act.”.

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 6227, entitled

A bill to amend 1956 PA 218, entitled “The insurance code of 1956,” by amending section 8111 (MCL 500.8111), as amended by 1992 PA 182.

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. 623

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

Senator Hammerstrom moved that the bill be given immediate effect.

The motion prevailed, 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 revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker’s compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act.”

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 6228, entitled

A bill to amend 1956 PA 218, entitled “The insurance code of 1956,” by amending section 7945 (MCL 500.7945), as amended by 1980 PA 41.

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. 624

Yeas—38

Allen	Clarke	Jelinek	Schauer
Barcia	Cropsey	Johnson	Scott
Basham	Emerson	Kuipers	Sikkema
Birkholz	Garcia	Leland	Stamas
Bishop	George	McManus	Switalski

Brater
Brown
Cassis
Cherry
Clark-Coleman

Gilbert
Goschka
Hammerstrom
Hardiman
Jacobs

Olshove
Patterson
Prusi
Sanborn

Thomas
Toy
Van Woerkom
Whitmer

Nays—0

Excused—0

Not Voting—0

In The Chair: President

Senator Hammerstrom moved that the bill be given immediate effect.

The motion prevailed, 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 revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker’s compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act.”.

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 6229, entitled

A bill to amend 1956 PA 218, entitled “The insurance code of 1956,” by amending section 7941 (MCL 500.7941), as amended by 1990 PA 137.

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. 625**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

Senator Hammerstrom moved that the bill be given immediate effect.

The motion prevailed, 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 revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker’s compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act.”.

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 6230, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 7931 (MCL 500.7931), as amended by 1980 PA 41.

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. 626

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

Senator Hammerstrom moved that the bill be given immediate effect.

The motion prevailed, 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 revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker's compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide

for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act;”.

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 6231, entitled

A bill to amend 1956 PA 218, entitled “The insurance code of 1956,” by amending section 7925 (MCL 500.7925), as amended by 1980 PA 41.

The question being on the passage of the bill,

Senator Clarke offered the following amendment:

1. Amend page 4, line 5, after “**3107,**” by striking out the balance of the subsection and inserting “**WHICH IS IN EXCESS OF 1/20 OF 1% OF THE AGGREGATE PREMIUMS WRITTEN BY MEMBER INSURERS IN THE STATE IN THE PRECEDING CALENDAR YEAR.**”.

The question being on the adoption of the amendment,

Senator Hammerstrom moved that further consideration of the bill be postponed temporarily.

The motion prevailed.

The following bill was read a third time:

House Bill No. 6232, entitled

A bill to amend 1956 PA 218, entitled “The insurance code of 1956,” by amending section 7921 (MCL 500.7921), as amended by 1993 PA 200.

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. 627

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

Senator Hammerstrom moved that the bill be given immediate effect.

The motion prevailed, 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 revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker’s compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act.”.

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 6233, entitled

A bill to amend 1956 PA 218, entitled “The insurance code of 1956,” by amending section 7918 (MCL 500.7918), as amended by 2001 PA 182.

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. 628

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

Senator Hammerstrom moved that the bill be given immediate effect.

The motion prevailed, 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 revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker’s compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act.”.

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 6234, entitled

A bill to amend 1956 PA 218, entitled “The insurance code of 1956,” by amending section 7911 (MCL 500.7911), as amended by 1993 PA 200.

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. 629

Yeas—38

Allen	Clarke	Jelinek	Schauer
Barcia	Cropsey	Johnson	Scott
Basham	Emerson	Kuipers	Sikkema
Birkholz	Garcia	Leland	Stamas
Bishop	George	McManus	Switalski

Brater
Brown
Cassis
Cherry
Clark-Coleman

Gilbert
Goschka
Hammerstrom
Hardiman
Jacobs

Olshove
Patterson
Prusi
Sanborn

Thomas
Toy
Van Woerkom
Whitmer

Nays—0

Excused—0

Not Voting—0

In The Chair: President

Senator Hammerstrom moved that the bill be given immediate effect.

The motion prevailed, 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 revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker’s compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act.”.

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 6235, entitled

A bill to amend 1956 PA 218, entitled “The insurance code of 1956,” by amending section 3503 (MCL 500.3503), as added by 2000 PA 252.

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. 630**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

Senator Hammerstrom moved that the bill be given immediate effect.

The motion prevailed, 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 revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker’s compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act.”.

The Senate agreed to the full title.

By unanimous consent the Senate proceeded to the order of
Statements

Senators Brown, Scott, Goschka, Toy, George, Brater and Birkholz asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Brown's statement is as follows:

Mr. President, on August 19, 2006, the community of Hillsdale was once again gathered together to honor the life of a valiant soldier and mourn his untimely death. As family and community heard the affirming testimonies to the gallantry and patriotism of First Sergeant Aaron Jagger, all were touched by the value this good soldier placed on the importance of being a husband and father. Every heart felt the depth of devotion Sergeant Jagger had for his wife Sandra and his five daughters. They were all moved by the esteem and respect in which he was held by his fellow soldiers.

Mr. President, before we proceed with the reading of the formal tribute, I would like to introduce Sergeant Jagger's family. They are with us in the Gallery, and as I complete reading their names, I ask that they be acknowledged by the Senate. We do have with us today Sergeant Jagger's wife Sandra and daughters Ashley, Tessa, Kelly, and Nicole. We have also Mrs. Jagger's father Harold Mickelson, Mrs. Jagger's aunt Mildred Mickelson, Sergeant Jagger's father Dale Jagger, his stepmother Phyllis Jagger, brother Anson Jagger, sister-in-law Meredith Jagger, aunt Ardice, and attending with the family Captain John Yuste.

"Special Tribute
 State of Michigan

In memory of First Sergeant Aaron Jagger

LET IT BE KNOWN, Therefore, That on behalf of the citizens of Michigan, we pay tribute to the ultimate sacrifice made by First Sergeant Aaron Jagger who, by willing service to his country in protecting its citizens, was killed on August 9, 2006, while serving his second tour of duty in the United States Army in Ar Ramadi, Iraq. In the history of this Great Nation, countless men and women in our military forces have gone into battle placing their lives on the line. While each one is respected for their bravery, certainly none are more esteemed by a grateful nation than those brave souls who offer their lives in time of war. Indeed, it is with deep sadness that we offer our heartfelt gratitude and highest praise in tribute to Aaron Jagger for the ultimate act of heroism he demonstrated in laying down his life in service to others.

After graduating from Camden-Frontier High School in 1980, Aaron Jagger attended Covenant College in Lookout Mountain, Georgia. Aaron joined the United States Army in 1982 in Fort Knox, Kentucky, as an M1A1 Tank Crewman and his last rank held was First Sergeant, Cobra Company 1, 37th Armor Regiment. In that capacity, he was in charge of between 80 to 140 soldiers. During his 24 years of service and 7 1/2 years of combat experience, Aaron completed tours of duty in Kuwait, Bosnia, and Iraq and was stationed in Friedberg, Germany. It was during his second tour of duty in Iraq when a roadside bomb detonated near Sergeant Jagger's vehicle taking his life. He had been serving in the Army's 1st Battalion, 37th Armor Regiment, 1st Armored Division.

Aaron Jagger had a passion for music and a deep Christian faith. He enjoyed leading worship services here in the United States as well as in Germany, and also in the field in Iraq. An accomplished guitarist, he co-wrote and recorded his unit's battle hymn, "*The Bandit Song*." The song was popular in the battalion and was played to kick off all unit functions.

The son of Dale and Phyllis Jagger of Camden and Carol and Cal Bailey of Rossville, Georgia, Aaron's strength of character and devotion to God, family, and country earned him the respect of his family and community. Clearly, Aaron's parents, wife Sandra, five daughters, Nicole, Kirsten, Tessa, Ashley, and Kelly, sister April, and three brothers Anson, Matthew, and Adam bear an unspeakable loss. Though our words can do little to comfort the sadness and the tears, we join with the citizens of this state to extend our sincere condolences and our deep respect for the sacrifice of this good soldier, loving son, father, brother, and patriot. May the family of Sergeant Jagger find comfort in the knowledge that we share in their bereavement and that the legacy of accomplishment of this distinguished soldier will long continue to inspire others and remind us that there is no greater love than to lay down one's life for a friend. We are deeply grateful for the gift of life that was Aaron Jagger and for his unselfish devotion to his country and to the cause of freedom and liberty.

'Lives of great men all remind us
 We can make our lives sublime,
 And, departing, leave behind us
 Footprints on the sands of time.

Footprints, that perhaps another,
 Sailing o'er life's solemn main,
 A forlorn and shipwrecked brother,
 Seeing, shall take heart again.

Life is real! Life is earnest!
And the grave is not its goal;
Dust thou art, to dust returnest,
Was not spoken of the soul.”

And to the poet’s wisdom, we add the benediction of the scriptures:

“‘Well done, good and faithful servant; thou hast been faithful over a few things, I will make thee ruler over many: enter thou into the joy of thy lord.’ (Matthew 25:23)

IN SPECIAL TRIBUTE, Therefore, This document is signed and dedicated as a memorial for First Sergeant Aaron Jagger. May his family know of our deep gratitude for the life of this brave and courageous soldier, for his service to our country, and for his sacrifice in the cause of freedom and liberty.”

Of course, it’s signed by me as the 16th District State Senator, State Representative Bruce Caswell of the 58th District, and lastly by the Honorable Jennifer M. Granholm, Governor of the state of Michigan.

A moment of silence was observed in memory of Army First Sergeant Aaron Jagger.

Senator Scott’s statement is as follows:

Colleagues, I will be sending to each of your offices an article that highlights a recent Pennsylvania Supreme Court ruling against an insurance company for bad faith handling of an auto injury claim. I have introduced legislation, Senate Bill Nos. 23 and 25, requiring insurance companies to deal fairly and in good faith with individuals claiming benefits. Introduced in January of last year, the bills remain in the Senate Banking and Financial Institutions Committee. Policyholders in Michigan need this consumer protection. I have respectfully requested that the chair of this committee hold hearings and bring these bills to the floor for a vote. I ask for your support on this.

“Pennsylvania High Court Rules on Bad Faith—The Pennsylvania Supreme Court, in a precedent-setting 8-2 decision, has upheld a \$3 million award against Erie Insurance Exchange for bad faith handling of an auto injury claims.

In its ruling earlier this week, the high court supported the findings that the plaintiff did not need to ‘prove malice, vindictiveness, or wanton disregard of the rights of others,’ which can be a requirement in fraud cases, in order to recover punitive damages for bad faith.

The Supreme Court decision rejected an appeal by the Erie, Pa.-based insurer, which contested a 2004 ruling by Pennsylvania’s Superior Court. That court found in part that in order to recover punitive damages, a policyholder need not prove anything more than bad faith.

Action by the Supreme Court ends a case that began in 1992 when Jean A. Hollock, a resident of Luzerne County, Pa., was struck from behind by another motorist causing a cubital tunnel injury that left her with impaired motor control of hand and arm.

According to the court documents, Erie at first paid her medical expenses, but when she tried to collect on an uninsured motorist coverage claim, the adjuster lied to her attorney, saying her coverage limit was \$250,000 when it was actually \$500,000. The company made a settlement offer of \$30,000 after having her put under surveillance by a private detective, the documents noted.

The case went to an arbitrator, who found for Ms. Hollock, awarding \$865,000—or 29 times the settlement offer. Ms. Hollock then sued for bad faith, and the Luzerne County Court of Common Pleas judge, following a non-jury trial, awarded attorneys’ fees of \$278,825 and punitive damages of \$2.8 million.

Trial Judge Peter Olzewski Jr. said Erie’s conduct was ‘reckless,’ noting that Erie was given a variety of evidence supporting Ms. Hollock’s claim, which it ignored, and was ‘disingenuous’ and used a ruse to put her under surveillance.

He wrote in his decision that he was ‘appalled by the deliberate indifference, and in some instances, blatant dishonesty, exhibited by Erie and its employees,’ adding that Erie supervisors sanctioned ‘deceit,’ indicating a corporate belief that it was ‘acceptable to tell a lie so long as no one really gets hurt.’

Attorney Timothy P. Law, with the Philadelphia office of Anderson Kill & Olick, filed a friend of the court brief on behalf of the non-profit San Francisco group United Policyholders, supporting Ms. Hollock. He called the ruling new and precedent setting.

According to Mr. Law, although the Pennsylvania Supreme Court has dealt with bad faith issues in the past, the latest ruling clarified matters, and ‘makes the litigation conduct of an insurance company part of a bad faith action and subject to the duty of good faith and fair dealing.’

According to the Pennsylvania Insurance Department Web site, there have been no recently concluded market conduct examinations of Erie.”

Senator Goschka’s statement is as follows:

At our last session, I talked a lot about the higher education bill and thanked various individuals who certainly deserved honor. There is one person, in particular, I forgot about totally. I just missed her. She was clearly in my notes and that is Ellen Jeffries, deputy director of the Senate Fiscal Agency. Really, you cannot pass a higher education bill without mention of this wonderful woman.

Ellen Jeffries helped me greatly and helped the entire committee and, indeed, helped this entire Senate. Anyone who has ever worked with Ellen knows she is a person of intense character and has a remarkable amount of integrity. When people go to her with issues of concern, she keeps it totally confidential. You can trust this lady completely. She brings great honor to the Senate Fiscal Agency. I wanted to be very clear, not that anyone asked, but Ellen is one of those people who does not look for personal glory or any observation from anybody. She just does her job and works well. I think one thing I wanted to say to this entire group, for those of you who have worked with her, you know that Ellen Jeffries is a wonderful lady from the Senate Fiscal Agency, and I have enjoyed my four years in working with her on the higher education budget.

Senator Toy's statement is as follows:

Mr. President, it is with great sadness that I bring today to members' attention that Private Joseph Robert Blake from Livonia has been killed in action. This tribute that we give to Private Joseph Robert Blake's family is signed by myself, State Representative John R. Pastor, and our Governor, Jennifer Granholm. I'd just like to also read a quote from Abraham Lincoln: "I like to see a man proud of the place in which he lives. I like to see a man live so that his place will be proud of him."

So "LET IT BE KNOWN, That it is with great pride and gratitude that we salute the life of U.S. Army Private Joseph R. Blake who died on August 17, 2006, in Turkalay, Afghanistan, of injuries suffered when his platoon encountered enemy forces of small arms fire. Deployed in support of Operation Enduring Freedom, he gave his life in the defense of our nation and the residents of the great State of Michigan.

Furthermore, let it be known, that, the youngest of three siblings, Joe Blake, born in December 1971 in Westland, lived most of his life in southeast Michigan, attending both Redford Union and Southfield Christian schools, before moving to Oregon just weeks before enlisting in the United States Army in January 2005 at the age of 33. Joe completed basic training at Fort Benning, Georgia, and was assigned to the 32nd Infantry, 10th Mountain Division at Fort Drum, New York.

Furthermore, let it be known that Joe is survived by his parents, Doug and Joann Blake of Livonia, brother Kevin Blake, sister Tina Steinkemper, a grandfather, and many aunts, uncles, and cousins. Our thoughts and prayers, and those of all Michiganians, go out to the family and friends of Private Blake to help to comfort them in these difficult weeks and months ahead.

IN SPECIAL TRIBUTE, Therefore, This document is signed and dedicated to honor the life of Joseph R. Blake, Private with the United States Army 10th Mountain Division, who traveled far away from those he loved to defend his community, his country, and the residents of this state; and who gave his life that they might continue to enjoy the blessings of peace, freedom, and democracy. May Private Blake's family know of our deepest sympathy and eternal gratitude."

A moment of silence was observed in memory of Army Private Joseph Robert Blake.

Senator George's statement is as follows:

I want to, for a moment, discuss the importance of preserving one of our great resources in Michigan. That is, our Great Lakes and our clean water. And, in that regard, I'm very perplexed by the Governor's recent veto of funding which was set aside in the DNR budget by this Legislature to help clean up the Kalamazoo River.

The Kalamazoo River is the largest Superfund site in Michigan. It's 80 miles long and, of course, it's a tributary to Lake Michigan, which enters the lake in Saugatuck. The state owns three dams along the river, which the DNR has rated, and I quote, as being "very poor and in very poor condition." They're at imminent risk to collapse and thereby release contaminants that are impounded behind them downstream, spreading them throughout the rest of the river and potentially into Lake Michigan.

There is a general consensus that the dams need to be removed and that the sediment needs to be cleaned up and dealt with. So that's why I'm perplexed that the Governor would veto funding which we have set aside to deal with this environmental problem.

Now, in her veto message, the Governor stated that state support is unnecessary and that it would somehow compromise negotiations with the responsible parties. And I would like to ask, Mr. President, if you were struck by an automobile and you were a pedestrian and it was not your fault and you had your leg broken, would you wait 17 years to have it fixed while the dispute was tried in court as to who was responsible for payment? I don't think most people would do that. They would go ahead and have the condition dealt with before it worsened, and that is what we are facing here.

By preferring to do nothing, the department and the Governor set up a potential where the dams may collapse and the sediment go downstream and then the hazard to the environment will be greater and the cleanup cost greater. It's silly to think that the state should not address this hazard to our environment and potential public health problem because there is a dispute with the responsible parties that's been in court for the last 17 years.

So I'm very disappointed, Mr. President, that the Governor has missed this opportunity to work with the Legislature to help clean up what is perhaps the biggest environmental problem in Lake Michigan—our contaminated Superfund site which threatens the quality of Lake Michigan.

Senator Brater's statement is as follows:

I do feel the obligation to stand up here and put the former statement made by my good colleague from the 20th District in some context. There is very complex environmental law involved here and if the state gets involved with interfering with the Superfund site, we can, indeed, jeopardize the responsibilities of polluters to pay to clean up the mess that they made. I think it is unfortunate to get up during Statements of the Senate session and oversimplify a matter like this and to take political shots at our great Governor, who has done as much as any Governor I can think of to protect the Great Lakes and their tributaries.

We've accomplished a great deal in the last four years under her leadership in terms of protecting the water quality of the Great Lakes and our watershed. I'm sure that this matter is being resolved and pursued in the best possible way for the protection of the Michigan environment.

Senator Birkholz's statement is as follows:

I would like to join with my colleague from Kalamazoo in echoing his statements. He and I have worked very closely on the issue of the Kalamazoo River. I started working on the issue of the Kalamazoo River when I was a township official some 12 to 15 years ago. This is a huge issue. The dams are at the point of imminent collapse. Several engineers have told us that. If they do collapse during a heavy rain or during a time when the area is flooded, which is not unknown to happen in the Kalamazoo River, all of those impounded PCBs and other contaminants will go right on down the river and further contaminate the river.

We understand very, very closely the importance of working with the PRPs, the primary responsible parties, the people who are responsible for the contaminants and responsible for the cleanup. We also understand the importance of working with the EPA, the DEQ, and the DNR. We believe that those discussions can occur at the same time. We can begin to look at the removal of the dams while the discussions on the cleanup are going on. This will be the biggest Superfund site in the United States when it's cleaned up. It will probably cost well over a billion dollars. There's no need to make it worse or to make the people of the areas suffer any more than they already have.

We could work on the two issues at the same time. It's been done in the past with Superfund sites and that is what the good Senator from Kalamazoo and I were attempting to do in the legislation that we put forward in the appropriations budget.

Recess

Senator Hammerstrom moved that the Senate recess until 2:00 p.m.
The motion prevailed, the time being 12:42 p.m.

The Senate reconvened at the expiration of the recess and was called to order by the President, Lieutenant Governor Cherry.

Recess

Senator Hammerstrom moved that the Senate recess until 2:30 p.m.
The motion prevailed, the time being 2:01 p.m.

The Senate reconvened at the expiration of the recess and was called to order by the President pro tempore, Senator Birkholz.

By unanimous consent the Senate returned to the order of

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
Senate Bill No. 1026
Senate Bill No. 1027
Senate Bill No. 1028
Senate Bill No. 372
Senate Bill No. 973
Senate Bill No. 974
Senate Bill No. 975
Senate Bill No. 976
Senate Bill No. 242
Senate Bill No. 297
 The motion prevailed.

The following messages from the Governor were received:

Date: August 9, 2006
 Time: 4:40 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 784 (Public Act No. 326), being

An act to amend 1893 PA 206, entitled “An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal acts and parts of acts,” (MCL 211.1 to 211.157) by adding section 7jj.

(Filed with the Secretary of State on August 10, 2006, at 9:14 a.m.)

Date: August 10, 2006
 Time: 9:20 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 1083 (Public Act No. 330), being

An act to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2007; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

(Filed with the Secretary of State on August 10, 2006, at 3:18 p.m.)

Date: August 10, 2006
 Time: 9:25 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 1084 (Public Act No. 331), being

An act to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2007; to provide for the expenditure of the appropriations; to provide for reports;

to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

(Filed with the Secretary of State on August 10, 2006, at 3:20 p.m.)

Date: August 15, 2006

Time: 7:20 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 403 (Public Act No. 333), being

An act to amend 1978 PA 368, entitled “An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to provide for the levy of taxes against certain health facilities or agencies; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to provide for an appropriation and supplements; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates,” by amending sections 16131 and 16263 (MCL 333.16131 and 333.16263), section 16131 as amended by 2006 PA 30 and section 16263 as amended by 2006 PA 54, and by adding section 16346 and part 183A.

(Filed with the Secretary of State on August 15, 2006, at 10:24 a.m.)

Date: August 15, 2006

Time: 7:22 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 443 (Public Act No. 334), being

An act to amend 1976 PA 451, entitled “An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies, intermediate school districts, and other public school entities; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, intermediate school districts, and other public school entities; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts,” (MCL 380.1 to 380.1852) by adding section 1531g.

(Filed with the Secretary of State on August 15, 2006, at 10:26 a.m.)

Date: August 15, 2006

Time: 7:24 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 673 (Public Act No. 335), being

An act to amend 1976 PA 451, entitled “An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies,

intermediate school districts, and other public school entities; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, intermediate school districts, and other public school entities; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts," (MCL 380.1 to 380.1852) by adding section 1536; and to repeal acts and parts of acts.

(Filed with the Secretary of State on August 15, 2006, at 10:28 a.m.)

Date: August 15, 2006

Time: 7:26 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 1107 (Public Act No. 336), being

An act to amend 1967 PA 288, entitled "An act to regulate the division of land; to promote the public health, safety, and general welfare; to further the orderly layout and use of land; to require that the land be suitable for building sites and public improvements and that there be adequate drainage of the land; to provide for proper ingress and egress to lots and parcels; to promote proper surveying and monumenting of land subdivided and conveyed by accurate legal descriptions; to provide for the approvals to be obtained prior to the recording and filing of plats and other land divisions; to provide for the establishment of special assessment districts and for the imposition of special assessments to defray the cost of the operation and maintenance of retention basins for land within a final plat; to establish the procedure for vacating, correcting, and revising plats; to control residential building development within floodplain areas; to provide for reserving easements for utilities in vacated streets and alleys; to provide for the filing of amended plats; to provide for the making of assessors plats; to provide penalties for the violation of the provisions of this act; to repeal certain parts of this act on specific dates; and to repeal acts and parts of acts," by amending section 183 (MCL 560.183), as amended by 2004 PA 122.

(Filed with the Secretary of State on August 15, 2006, at 10:30 a.m.)

Date: August 15, 2006

Time: 7:28 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 1108 (Public Act No. 337), being

An act to amend 1941 PA 207, entitled "An act to provide for the prevention of fires and the protection of persons and property from exposure to the dangers of fire or explosion; to authorize the investigation of fires and the discovery of crime or other offenses in relation thereto; to require the razing, repair, or alteration of buildings, and the clearing and improvement of premises which constitute a fire hazard or a menace to the peace, security, or safety of persons or property; to control the construction, use, and occupancy of buildings and premises in relation to safety, including fire safety; to provide for the certification of fire inspectors and the delegation of certain powers to those certified fire inspectors; to provide for the regulation of the storage and transportation of hazardous material; to provide for the issuance of certificates; to prohibit the use of certain fire extinguishers and fire extinguishing agents; to provide immunity from liability for certain persons; to provide for the administration of this act and prescribe procedure for the enforcement of its provisions; to fix penalties for violation of this act; to provide for the promulgation of rules; to provide for the assessment of fees; and to repeal acts and parts of acts," by amending the title and section 19 (MCL 29.19), as amended by 2006 PA 187.

(Filed with the Secretary of State on August 15, 2006, at 10:32 a.m.)

Date: August 15, 2006

Time: 7:40 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 1182 (Public Act No. 338), being

An act to amend 1951 PA 51, entitled "An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each

classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts,” by amending section 13 (MCL 247.663), as amended by 2004 PA 9.

(Filed with the Secretary of State on August 15, 2006, at 10:34 a.m.)

Date: August 15, 2006
Time: 7:42 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 1224 (Public Act No. 339), being

An act to amend 1949 PA 300, entitled “An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents and nonresidents; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to provide appropriations for certain purposes; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date,” by amending sections 612 and 660 (MCL 257.612 and 257.660), section 612 as amended by 1990 PA 33 and section 660 as amended by 2002 PA 494, and by adding sections 660a, 660b, 660c, and 660d.

(Filed with the Secretary of State on August 15, 2006, at 10:36 a.m.)

Date: August 15, 2006
Time: 8:08 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 1082 (Public Act No. 341), being

An act to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2007; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

(Filed with the Secretary of State on August 15, 2006, at 11:33 a.m.)

Date: August 15, 2006
Time: 8:10 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 1088 (Public Act No. 340), being

An act to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2007; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

(Filed with the Secretary of State on August 15, 2006, at 11:31 a.m.)

Date: August 15, 2006
Time: 9:59 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 1095 (Public Act No. 342), being

An act to amend 1979 PA 94, entitled “An act to make appropriations to aid in the support of the public schools and the intermediate school districts of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and collection of certain taxes; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts,” by amending sections 3, 6, 11, 11a, 11f, 11g, 11j, 11k, 14, 15, 17a, 17b, 18, 20, 20j, 22a, 22b, 22d, 24, 25a, 26a, 26b, 31a, 31d, 31f, 32c, 32d, 32j, 32l, 34, 37, 39a, 41, 41a, 51a, 51c, 51d, 53a, 54, 54a, 56, 57, 61a, 62, 74, 81, 94a, 98, 98b, 99, 101, 105, 105c, 107, 121, 147, 161a, and 167 (MCL 388.1603, 388.1606, 388.1611, 388.1611a, 388.1611f, 388.1611g, 388.1611j, 388.1611k, 388.1614, 388.1615, 388.1617a, 388.1617b, 388.1618, 388.1620, 388.1620j, 388.1622a, 388.1622b, 388.1622d, 388.1624, 388.1625a, 388.1626a, 388.1626b, 388.1631a, 388.1631d, 388.1631f, 388.1632c, 388.1632d, 388.1632j, 388.1632l, 388.1634, 388.1637, 388.1639a, 388.1641, 388.1641a, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654a, 388.1656, 388.1657, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694a, 388.1698, 388.1698b, 388.1699, 388.1701, 388.1705, 388.1705c, 388.1707, 388.1721, 388.1747, 388.1761a, and 388.1767), sections 3, 6, 11, 11a, 11g, 11j, 15, 18, 20j, 22a, 22b, 22d, 24, 26a, 31d, 32c, 32d, 32j, 37, 39a, 41, 41a, 51c, 51d, 53a, 54, 56, 57, 61a, 62, 74, 81, 94a, 98, 98b, 99, 101, 105, 105c, 107, 147, and 167 as amended and sections 11k, 26b, 31f, 32l, and 54a as added by 2005 PA 155, section 11f as amended by 2006 PA 119, section 14 as amended by 1993 PA 336, section 17a as amended by 2005 PA 95, section 17b as amended by 2005 PA 150, section 20 as amended and section 34 as added by 2006 PA 120, sections 25a and 161a as added by 1998 PA 553, section 31a as amended by 2006 PA 121, section 51a as amended by 2006 PA 90, and section 121 as amended by 1995 PA 130, and by adding sections 11m, 22c, 24a, 24c, 29, 31c, 32b, 32m, 54b, 57a, 64, 65, 98c, 99c, 99d, 99e, 99f, 99g, 99h, and 104; and to repeal acts and parts of acts.

(Filed with the Secretary of State on August 15, 2006, at 11:35 a.m.)

Respectfully,
Jennifer M. Granholm
Governor

The following messages from the Governor were received:

August 10, 2006

Today I have signed Enrolled Senate Bill 1083, a bill making appropriations for the Department of Community Health for the fiscal year ending September 30, 2007. This bill includes nearly \$11.2 billion, an amount that represents a significant commitment to the health of Michigan’s citizens. Highlights of the bill include:

- The appropriation of nearly \$7.5 billion to support the Medicaid program, including Children’s Special Health Care Services, which provides health care for over 1.5 million low income residents of Michigan. I commend you for protecting this essential program.
- The provision of over \$2.7 billion to support mental health and substance abuse services. The continuation of this significant level of funding will support quality care for those most in need.
- The appropriation of nearly \$550 million for other public health and aging programs.
- The appropriation of \$100 million to support the creation of the Michigan First Healthcare Plan.

I appreciate the Legislature’s cooperation in the development of this budget and your efforts to preserve health care services for needy residents.

August 10, 2006

Today I have signed Enrolled Senate Bill 1084, a bill making appropriations for the Department of Corrections. My action today for the fiscal year ending September 30, 2007:

- Adds \$1.7 million to deploy and monitor up to 500 Global Positioning Satellite (GPS) tether units. This cutting edge technology will help closely monitor the activities of certain parolees to maintain the safety of our communities.
- Continues to provide over \$12 million for prisoner reintegration programs. The Michigan Prisoner Reintegration Initiative (MPRI) helps reduce crime by improving parolee success rates.
- Maintains \$18.3 million to provide substance abuse testing and treatment for prisoners, parolees, and probationers.
- Provides \$11.8 million to train up to 700 new corrections officers.
- Continues funding of \$48.6 million for community corrections programs to maintain local alternatives to incarceration in state prisons.

I commend the Legislature for its work in funding the Department of Corrections for the next fiscal year.

August 15, 2006

Today I have signed Enrolled Senate Bill 1082, which makes appropriations for community colleges for the fiscal year ending September 30, 2007. This funding will help Michigan's 28 community colleges provide over 400,000 residents with affordable access to postsecondary education.

Community college operations are funded at \$283.4 million, representing an overall increase of 2.9 percent. In addition, the bill includes \$3.3 million for the at-risk student success program to assist students who are academically at-risk and help ensure their college success. The bill also includes \$3.2 million to reimburse colleges that lose property tax revenue as a result of Renaissance Zones.

I thank the Legislature for your work on these appropriations for community colleges, an important component of Michigan's higher education system.

August 15, 2006

Today I have signed Enrolled Senate Bill 1088, which appropriates nearly \$1.8 billion for the fiscal year ending September 30, 2007, for state universities and student financial aid. This amount includes state university operations funding of nearly \$1.5 billion, an increase of 3 percent over the current year. Each university will receive at least a 2.5 percent increase in fiscal year 2007, exceeding the projected inflation rate.

Over \$258 million is provided for student scholarships and grants. The bill also includes \$33.8 million for the Agricultural Experiment Station and \$29.2 million for the Cooperative Extension Service, located at Michigan State University.

I thank the Legislature for its support of our state universities and student financial aid programs. This funding allows our 15 public universities to provide the quality of education that prepares students for the jobs of today and tomorrow and to conduct the research that leads to scientific breakthroughs and future economic development.

Sincerely yours,
Jennifer M. Granholm
Governor

The following message from the Governor was received on August 15, 2006, and read:

EXECUTIVE ORDER
No. 2006-18

**Department of Human Services
Department of Labor and Economic Growth
Michigan Community Service Commission**

Executive Reorganization

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the Governor;

WHEREAS, Section 2 of Article V of the Michigan Constitution of 1963 empowers the Governor to make changes in the organization of the executive branch of state government or in the assignment of functions among its units that the Governor considers necessary for efficient administration;

WHEREAS, Michigan residents, beginning at an early age and continuing for a lifetime, meet community needs and find personal fulfillment through service-learning and volunteerism;

WHEREAS, the State of Michigan is an ideal place to live and is recognized nationally because its citizens believe so strongly in the value of service as a way of life;

WHEREAS, this administration continues to be committed to encouraging all residents, organizations, and institutions in Michigan to help in solving our most critical problems by volunteering their time, effort, energy, and service;

WHEREAS, the Michigan Community Service Commission, which was originally established by Executive Order 1991-25, has as its mission the building of a culture of service by providing vision and resources to strengthen communities through volunteerism;

WHEREAS, since 1991, the Michigan Community Service Commission has granted more than \$41 million in public and private funds to community organizations enabling them to engage thousands of Michigan citizens in volunteer service and leveraging more than \$34 million in additional local resources;

WHEREAS, the mission of the Michigan Community Service Commission and the ability to secure additional support for the Commission can be enhanced by locating the Commission within the Department of Human Services;

WHEREAS, there is a continuing need to reorganize functions amongst state departments to ensure efficient administration and effectiveness of government;

NOW, THEREFORE, I, Jennifer M. Granholm, Governor of the State of Michigan, by virtue of the power and authority vested in the Governor by the Michigan Constitution of 1963 and Michigan law order:

I. DEFINITIONS

As used in this Order:

A. "Community Service Commission" or "Commission" means the Michigan Community Service Commission created under 1994 PA 219, MCL 408.221 to 408.232, which was subsequently transferred to the Department of Career Development by Executive Order 1999-1, as amended, MCL 408.40, and then transferred to the Department of Labor and Economic Growth by Executive Order 2003-18, MCL 445.2011.

B. "Department of Human Services" means the principal department of state government created as the Department of Social Services under Section 450 of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.550, renamed the Family Independence Agency under 1995 PA 223, MCL 400.1, and renamed the Department of Human Services under Executive Order 2004-38, MCL 400.226.

C. "Department of Labor and Economic Growth" means the principal department of state government created as the Department of Commerce under Section 225 of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.325, renamed the Department of Consumer and Industry Services under Executive Order 1996-2, MCL 445.2001, and renamed the Department of Labor and Economic Growth under Executive Order 2003-18, MCL 445.2011.

D. "State Budget Director" means the Director of the State Budget Office created under Section 321 of The Management and Budget Act, 1984 PA 431, MCL 18.1321.

E. "Type II Transfer" means that type of transfer as defined in Section 3(b) of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.103(b).

II. TRANSFER OF AUTHORITY

A. All of the authority, powers, duties, functions, and responsibilities of the Community Service Commission are transferred by Type II Transfer from the Department of Labor and Economic Growth to the Department of Human Services.

III. IMPLEMENTATION OF TRANSFERS

A. The Director of the Department of Human Services shall provide executive direction and supervision for the implementation of all transfers under this Order and shall make internal organizational changes as necessary to complete the transfers under this Order.

B. The functions transferred under this Order shall be administered by the Director of the Department of Human Services in such ways as to promote efficient administration.

C. All rule-making, licensing, and registration functions related to the functions of the Commission transferred under this Order, including, but not limited to, the prescription of rules, regulations, standards, and adjudications, under the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 to 24.328, are transferred to the Director of the Department of Human Services.

D. The Director of the Department of Human Services may delegate within the Department of Human Services a duty or power conferred on the Director of the Department of Human Services by this Order or by other law or order, and the individual to whom the duty or power is delegated may perform the duty or exercise the power at the time and to the extent that the power is delegated by the Director of the Department of Human Services.

E. All records, property, and unexpended balances of appropriations, allocations, and other funds used, held, employed, available, or to be made available to the Department of Labor and Economic Growth or the Commission for the activities, powers, duties, functions, and responsibilities transferred under this Order are transferred to the Department of Human Services.

F. The Director of the Department of Human Services and the Director of the Department of Labor and Economic Growth shall develop a memorandum of record identifying any pending settlements, issues of compliance with any applicable state or federal laws or regulations, or other obligations to be resolved by the Department of Labor and Economic Growth.

G. The Director of the Department of Human Services and the Director of the Department of Labor and Economic Growth shall identify the program positions, administrative function positions, and personnel that will be transferred to the Department of Human Services under this Order. The Director of the Department of Human Services and the

Director of the Department of Labor and Economic Growth shall enter into a memorandum of understanding identifying the positions and personnel transferred.

H. The State Budget Director shall determine and authorize the most efficient manner possible for handling financial transactions and records in the state's financial management system necessary to implement this Order for Fiscal Year 2006-2007.

IV. MISCELLANEOUS

A. All rules, orders, contracts, and agreements relating to the functions transferred under this Order lawfully adopted prior to the effective date of this Order shall continue to be effective until revised, amended, repealed, or rescinded.

B. This Order shall not abate any suit, action, or other proceeding lawfully commenced by, against, or before any entity affected under this Order. Any suit, action, or other proceeding may be maintained by, against, or before the appropriate successor of any entity affected under this Order.

C. The invalidity of any portion of this Order shall not affect the validity of the remainder of the Order, which may be given effect without any invalid portion. Any portion of this Order found invalid by a court or other entity with proper jurisdiction shall be severable from the remaining portions of this Order.

In fulfillment of the requirements under Section 2 of Article V of the Michigan Constitution of 1963, the provisions of this Order are effective October 22, 2006 at 12:01 a.m.

[SEAL]

Given under my hand and the Great Seal of the State of Michigan this 14th day of August, in the year of our Lord, two thousand and six.

Jennifer M. Granholm
Governor

By the Governor:
Terri L. Land
Secretary of State

The Executive Order was referred to the Committee on Government Operations.

The following message from the Governor was received on August 15, 2006, and read:

EXECUTIVE ORDER
No. 2006-19

**Department of Information Technology
Department of Management and Budget**

Executive Reorganization

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the Governor;

WHEREAS, Section 2 of Article V of the Michigan Constitution of 1963 empowers the Governor to make changes in the organization of the executive branch of state government or in the assignment of functions among its units that the Governor considers necessary for efficient administration;

WHEREAS, the Department of Information Technology was created as a principal department of state government by Executive Order 2001-3, MCL 18.41;

WHEREAS, the Department of Information Technology is focused on promoting a unified approach to information technology management for departments and agencies in the executive branch of state government;

WHEREAS, the Department of Management and Budget was created as a principal department of state government under Section 121 of The Management and Budget Act, 1984 PA 431, MCL 18.1121;

WHEREAS, the Department of Management and Budget is focused on providing for centralized administration of services for state departments and agencies such as acquisition services, employee resources, financial services, and audit services;

WHEREAS, the functions relating to approval of electronic signatures currently performed by the Department of Management and Budget are more compatible with the mission of the Department of Information Technology and can be more efficiently and effectively administered by the Department of Information Technology;

WHEREAS, there is a continuing need to reorganize functions amongst state departments to ensure efficient administration and effectiveness of government;

NOW, THEREFORE, I, Jennifer M. Granholm, Governor of the State of Michigan, by virtue of the power and authority vested in the Governor by the Michigan Constitution of 1963 and Michigan law order:

I. DEFINITIONS

As used in this Order:

A. "Civil Service Commission" means the commission required under Section 5 of Article XI of the Michigan Constitution of 1963.

B. "Department of Information Technology" means the principal department of state government created under Executive Order 2001-3, MCL 18.41.

C. "Department of Management and Budget" means the principal department of state government created under Section 121 of The Management and Budget Act, 1984 PA 431, MCL 18.1121;

D. "State Budget Director" means the Director of the State Budget Office created under Section 321 of The Management and Budget Act, 1984 PA 431, MCL 18.1321.

E. "Type II Transfer" means that type of transfer as defined in Section 3(b) of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.103(b).

II. TRANSFER OF AUTHORITY

A. All the authority, powers, duties, functions, and responsibilities of the Department of Management and Budget under the Uniform Electronic Transactions Act, 2000 PA 305, MCL 450.831 to 450.849, are transferred by Type II Transfer from the Department of Management and Budget to the Department of Information Technology.

III. IMPLEMENTATION OF TRANSFERS

A. The Director of the Department of Information Technology shall provide executive direction and supervision for the implementation of the transfers to the Department of Information Technology under this Order.

B. All rule-making, licensing, and registration functions related to the functions of the Department of Management and Budget transferred under this Order, including, but not limited to, the prescription of rules, regulations, standards, and adjudications, under the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 to 24.328, are transferred to the Director of the Department of Information Technology.

C. The Director of the Department of Management and Budget shall immediately initiate coordination with the Department of Information Technology to facilitate the transfers and develop a memorandum of record identifying any pending settlements, issues of compliance with applicable federal and state laws and regulations, or other obligations to be resolved by the Department of Management and Budget.

D. The functions transferred under this Order shall be administered by the Director of the Department of Information Technology in such ways as to promote efficient administration.

E. The Director of the Department of Information Technology shall make internal organizational changes as may be administratively necessary to complete the realignment of responsibilities under this Order.

F. The Director of the Department of Information Technology may delegate within the Department of Information Technology a duty or power conferred on the Director of the Department of Information Technology by this Order or by other law, and the individual to whom the duty or power is delegated may perform the duty or exercise the power at the time and to the extent that the power is delegated by the Director of the Department of Information Technology.

G. All records, property, grants, and unexpended balances of appropriations, allocations, and other funds used, held, employed, available or to be made available to Department of Management and Budget for the authority, activities, powers, duties, functions, and responsibilities transferred under this Order are transferred to the Department of Information Technology.

H. The State Budget Director shall determine and authorize the most efficient manner possible for handling financial transactions and records in the state's financial management system necessary to implement this Order for Fiscal Year 2006-2007.

IV. MISCELLANEOUS

A. All rules, orders, contracts, and agreements relating to the functions transferred under this Order lawfully adopted prior to the effective date of this Order shall continue to be effective until revised, amended, repealed, or rescinded.

B. This Order shall not abate any suit, action, or other proceeding lawfully commenced by, against, or before any entity affected under this Order. Any suit, action, or other proceeding may be maintained by, against, or before the appropriate successor of any entity affected under this Order.

C. The invalidity of any portion of this Order shall not affect the validity of the remainder of the Order, which may be given effect without any invalid portion. Any portion of this Order found invalid by a court or other entity with proper jurisdiction shall be severable from the remaining portions of this Order.

In fulfillment of the requirements under Section 2 of Article V of the Michigan Constitution of 1963, the provisions of this Order are effective October 22, 2006 at 12:01 a.m.

[SEAL]

Given under my hand and the Great Seal of the State of Michigan this 14th day of August, in the year of our Lord, two thousand and six.

Jennifer M. Granholm
Governor

By the Governor:
Terri L. Land
Secretary of State

The Executive Order was referred to the Committee on Government Operations.

The following message from the Governor was received on August 15, 2006, and read:

EXECUTIVE ORDER
No. 2006-20

**Department of Management and Budget
Local Government Claims Review Board
State Administrative Board**

Executive Reorganization

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the Governor;

WHEREAS, Section 2 of Article V of the Michigan Constitution of 1963 empowers the Governor to make changes in the organization of the executive branch of state government or in the assignment of functions among its units that the Governor considers necessary for efficient administration;

WHEREAS, the activities of the Local Government Claims Review Board can be more efficiently and effectively administered if transferred to the State Administrative Board;

WHEREAS, there is a continuing need to reorganize functions amongst state departments to ensure efficient administration and effectiveness of government;

NOW, THEREFORE, I, Jennifer M. Granholm, Governor of the State of Michigan, by virtue of the power and authority vested in the Governor by the Michigan Constitution of 1963 and Michigan law order:

I. DEFINITIONS

As used in this Order:

A. "Local Government Claims Review Board" means the board created under Section 10 of 1979 PA 101, MCL 21.240.

B. "Department of Management and Budget" means the principal department of state government created under Section 121 of The Management and Budget Act, 1984 PA 431, MCL 18.1121.

C. "State Administrative Board" means the board authorized under Section 3 of 1921 PA 2, MCL 17.3, to exercise general supervisory control over the functions and activities of all administrative departments, boards, commissioners, and officers of this state, and of all state institutions.

D. "State Budget Director" means the Director of the State Budget Office created under Section 321 of The Management and Budget Act, 1984 PA 431, MCL 18.1321.

II. TRANSFER OF AUTHORITY

A. All of the authority, powers, duties, functions, and responsibilities of the Local Government Claims Review Board under 1979 PA 101, MCL 21.231 to 21.244, are transferred from the Local Government Claims Review Board to the State Administrative Board.

B. The Local Government Claims Review Board is abolished.

III. IMPLEMENTATION OF TRANSFERS

A. The Director of the Department of Management and Budget shall provide executive direction and supervision for the implementation of all transfers of functions under this Order and shall make internal organizational changes as necessary to complete the transfers under this Order.

B. The functions transferred under this Order shall be administered by the State Administrative Board in such ways as to promote efficient administration.

C. Any rule-making, licensing, and registration functions related to the functions of the Local Government Claims Review Board transferred under this Order, including, but not limited to, the prescription of rules, regulations, standards, and adjudications, under the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 to 24.328, are transferred to the State Administrative Board.

D. All records, property, and unexpended balances of appropriations, allocations, and other funds used, held, employed, available, or to be made available to the Local Government Claims Review Board for the activities, powers, duties, functions, and responsibilities transferred under this Order are transferred to the State Administrative Board.

E. The Director of the Department of Management and Budget shall develop a memorandum of record identifying any pending settlements, issues of compliance with any applicable state or federal laws or regulations, or other obligations to be resolved by the Local Government Claims Review Board.

F. The State Budget Director shall determine and authorize the most efficient manner possible for handling financial transactions and records in the state's financial management system necessary for the implementation of this Order for Fiscal Year 2006-2007.

IV. MISCELLANEOUS

A. All rules, orders, contracts, and agreements relating to the functions transferred under this Order lawfully adopted prior to the effective date of this Order shall continue to be effective until revised, amended, repealed, or rescinded.

B. This Order shall not abate any suit, action, or other proceeding lawfully commenced by, against, or before any entity affected under this Order. Any suit, action, or other proceeding may be maintained by, against, or before the appropriate successor of any entity affected under this Order.

C. The invalidity of any portion of this Order shall not affect the validity of the remainder of the Order, which may be given effect without any invalid portion. Any portion of this Order found invalid by a court or other entity with proper jurisdiction shall be severable from the remaining portions of this Order.

In fulfillment of the requirements under Section 2 of Article V of the Michigan Constitution of 1963, the provisions of this Order are effective October 22, 2006 at 12:01 a.m.

[SEAL]

Given under my hand and the Great Seal of the State of Michigan this 14th day of August, in the year of our Lord, two thousand and six.

Jennifer M. Granholm
Governor

By the Governor:
Terri L. Land
Secretary of State

The Executive Order was referred to the Committee on Government Operations.

The following message from the Governor was received on August 15, 2006, and read:

EXECUTIVE ORDER
No. 2006-21

**Department of Treasury
State Board of Assessors
State Tax Commission**

Executive Reorganization

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the Governor;

WHEREAS, Section 2 of Article V of the Michigan Constitution of 1963 empowers the Governor to make changes in the organization of the executive branch of state government or in the assignment of functions among its units that the Governor considers necessary for efficient administration;

WHEREAS, the functions of the State Board of Assessors can be performed more efficiently if transferred to the State Tax Commission;

WHEREAS, there is a continuing need to reorganize functions amongst state departments to ensure efficient administration and effectiveness of government;

NOW, THEREFORE, I, Jennifer M. Granholm, Governor of the State of Michigan, by virtue of the power and authority vested in the Governor by the Michigan Constitution of 1963 and Michigan law order:

I. DEFINITIONS

As used in this Order:

A. "Department of Treasury" means the principal department of state government created under Section 75 of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.175.

B. "State Board of Assessors" means the board provided for under Section 1 of 1905 PA 282, MCL 207.1 to 207.21, and transferred to the State Tax Commission under Section 85 of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.185.

C. "State Tax Commission" means the commission created under Section 1 of 1927 PA 360, MCL 209.101 and transferred to the Department of Treasury under Section 84 of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.184.

D. "State Budget Director" means the Director of the State Budget Office created under Section 321 of The Management and Budget Act, 1984 PA 431, MCL 18.1321.

II. TRANSFER OF AUTHORITY

A. All of the authority, powers, duties, functions, and responsibilities of the State Board of Assessors under any of the following are transferred from the State Board of Assessors to the State Tax Commission:

1. 1905 PA 282, MCL 207.1 to 207.21.
2. Section 21 of the Enterprise Zone Act, 1985 PA 224, MCL 125.2121.
3. Section 9 of the Neighborhood Enterprise Zone Act, 1992 PA 147, MCL 207.779.

B. The State Board of Assessors is abolished.

III. IMPLEMENTATION OF TRANSFERS

A. The State Treasurer shall provide executive direction and supervision for the implementation of all transfers of functions under this Order and shall make internal organizational changes as necessary to complete the transfers under this Order.

B. The functions transferred under this Order shall be administered by the State Tax Commission and the Department of Treasury in such ways as to promote efficient administration.

C. All rule-making, licensing, and registration functions related to the functions of the State Board of Assessors transferred under this Order, including, but not limited to, the prescription of rules, regulations, standards, and adjudications, under the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 to 24.328, are transferred to the State Tax Commission.

D. All records, property, and unexpended balances of appropriations, allocations, and other funds used, held, employed, available, or to be made available to the Department of Treasury or the State Board of Assessors for the activities, powers, duties, functions, and responsibilities transferred under this Order are transferred to the State Tax Commission.

E. The State Treasurer and the Chairperson of the State Tax Commission shall develop a memorandum of record identifying any pending settlements, issues of compliance with any applicable state or federal laws or regulations, or other obligations to be resolved by the State Board of Assessors or the Department of Treasury.

F. The State Budget Director shall determine and authorize the most efficient manner possible for handling financial transactions and records in the state's financial management system necessary for the implementation of this Order for Fiscal Year 2006-2007.

IV. MISCELLANEOUS

A. All rules, orders, contracts, and agreements relating to the functions transferred under this Order lawfully adopted prior to the effective date of this Order shall continue to be effective until revised, amended, repealed, or rescinded.

B. This Order shall not abate any suit, action, or other proceeding lawfully commenced by, against, or before any entity affected under this Order. Any suit, action, or other proceeding may be maintained by, against, or before the appropriate successor of any entity affected under this Order.

C. The invalidity of any portion of this Order shall not affect the validity of the remainder of the Order, which may be given effect without any invalid portion. Any portion of this Order found invalid by a court or other entity with proper jurisdiction shall be severable from the remaining portions of this Order.

In fulfillment of the requirements under Section 2 of Article V of the Michigan Constitution of 1963, the provisions of this Order are effective October 22, 2006 at 12:01 a.m.

[SEAL]

Given under my hand and the Great Seal of the State of Michigan this 14th day of August, in the year of our Lord, two thousand and six.

Jennifer M. Granholm
Governor

By the Governor:
Terri L. Land
Secretary of State

The Executive Order was referred to the Committee on Government Operations.

The following messages from the Governor were received and read:

August 11, 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 office under Section 2 of 1978 PA 260, MCL 393.352:

Commission for the Blind

Ms. Velma P. Allen of 3810 Wroxton Drive, Flint, Michigan 48532, county of Genesee, succeeding Jerome J. Jackson, who has resigned, representing the general public, for a term commencing August 11, 2006 and expiring September 30, 2008.

Ms. Jo Ann Pilarski of 7765 Metzke Road, Alpena, Michigan 49707, county of Alpena, reappointed to represent the general public, for a term commencing October 1, 2006 and expiring September 30, 2009.

August 15, 2006

I respectfully submit to the Senate, pursuant to Section 6 of Article 5 of the Michigan Constitution of 1963, the following appointments to state office under Sections 16121 and 16521 of the Public Health Code, 1978 PA 368, MCL 333.16121 and MCL 333.16521:

Michigan Board of Acupuncture

Mr. Howard J. Abel-Horowitz, M.D., of 25235 Canterbury, Franklin, Michigan 48025, county of Oakland, appointed to represent physicians licensed under part 170 or 175, for a term expiring June 30, 2009.

Mr. Arthur L. Kaminsky, M.D., of 191B CR 550, Marquette, Michigan 49855, county of Marquette, appointed to represent acupuncturists, for a term expiring June 30, 2007.

Ms. Deborah E. Lincoln, R.N., M.S.N., of 1614 Colorado Drive, East Lansing, Michigan 48823, county of Ingham, appointed to represent acupuncturists, for a term expiring June 30, 2010.

Mr. John L. Pappas, M.D., of 294 Barden Road, Bloomfield Hills, Michigan 48304, county of Oakland, appointed to represent physicians licensed under part 170 or 175, for a term expiring June 30, 2010.

Mr. Jason T. Pettet, M.O.M., of 993 Orchard Avenue, South Haven, Michigan 49090, county of Allegan, appointed to represent acupuncturists, for a term expiring June 30, 2007.

Ms. Virginia C. Vary, M.S.W., M.O.M., of 319 Hampton Avenue, S.E., Grand Rapids, Michigan 49506, county of Kent, appointed to represent acupuncturists, for a term expiring June 30, 2008.

Mr. Leonard D. Wright, M.D., of 1241 Scenic Drive, Muskegon, Michigan 49445, county of Muskegon, appointed to represent physicians licensed under part 170 or 175, for a term expiring June 30, 2009.

August 15, 2006

I respectfully submit to the Senate, pursuant to Section 6 of Article 5 of the Michigan Constitution of 1963, the following appointments to state office under Sections 16121 and 18103 of the Public Health Code, 1978 PA 368, MCL 333.16121 and 333.18103:

Michigan Board of Counseling

Mr. Steven D. Hampton of 123 Cedar Street, Traverse City, Michigan 49684, county of Grand Traverse, succeeding Joanne Nicholson, whose term has expired, representing statutorily regulated mental health professionals, for a term commencing August 15, 2006 and expiring June 30, 2010.

Mr. Julian E. Pate III of 27230 Pembridge Lane, Farmington Hills, Michigan 48331, county of Oakland, succeeding Michael J. Wood, whose term has expired, representing the general public, for a term commencing August 15, 2006 and expiring June 30, 2009.

Mr. Thomas J. Wuori of 5218 Sadie Club Drive, Kalamazoo, Michigan 49009, county of Kalamazoo, succeeding Steven Hampton, whose term has expired, representing the general public, for a term commencing August 15, 2006 and expiring June 30, 2010.

August 15, 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 Sections 16121 and 17721 of the Public Health Code, 1978 PA 368, MCL 333.16121 and 333.17721:

Michigan Board of Pharmacy

Mr. Devin R. Senneker of 6839 Lake Bluff Drive, N.E., Comstock Park, Michigan 49321, county of Kent, succeeding James R. Buck, whose term has expired, representing the general public, for a term commencing August 15, 2006 and expiring June 30, 2010.

Mr. Jerome J. Washington, Ph.D., of 20171 Canterbury Road, Detroit, Michigan 48221, county of Wayne, reappointed to represent the general public, for a term expiring June 30, 2010.

August 17, 2006

I respectfully submit to the Senate, pursuant to Section 6 of Article 5 of the Michigan Constitution of 1963, the following reappointments to state office under Section 3 of the State Employees' Retirement Act, 1943 PA 240, MCL 38.3:

State Employees' Retirement Board

Mr. Douglas C. Drake of 5743 Bear Creek Drive, Lansing, Michigan 48917, county of Eaton, reappointed to represent employee members of the retirement system, for a term commencing August 17, 2006 and expiring July 31, 2007.

Mr. Calvin L. Frappier II of 5706 Bear Creek Drive, Lansing, Michigan 48917, county of Eaton, reappointed to represent retirants of the retirement system, for a term commencing August 17, 2006 and expiring July 31, 2009.

Mr. Harry R. Posner, Jr., of 5718 Wood Valley Drive, Haslett, Michigan 48840, county of Ingham, reappointed to represent employee members of the retirement system, for a term commencing August 17, 2006 and expiring July 31, 2009.

August 18, 2006

I respectfully submit to the Senate, pursuant to Section 6 of Article 5 of the Michigan Constitution of 1963, the following reappointments to state office under Executive Order 2003-18, MCL 445.2011:

Workers' Compensation Appellate Commission

Ms. Martha M. Glaser of 37621 Myrna Street, Livonia, Michigan 48154, county of Wayne, reappointed for a term commencing October 1, 2006 and expiring September 30, 2010.

Mr. Rodger G. Will of 17689 Parke Lane, Grosse Ile, Michigan 48138, county of Wayne, reappointed for a term commencing October 1, 2006 and expiring September 30, 2010.

August 24, 2006

I respectfully submit to the Senate pursuant to Article V, Section 6 of the Michigan Constitution of 1963, the following reappointments to office under Section 2 of the Electrical Administrative Act, 1956 PA 217, MCL 338.882:

Electrical Administrative Board

Mr. Rowland E. Cornish III of 221 East Northrup Street, Lansing, Michigan 48911, county of Ingham, reappointed to represent electrical contractors operating in this state, for a term expiring August 10, 2009.

Mr. Clark S. Justin of 1200 Long Lake Drive, Brighton, Michigan 48114, county of Livingston, reappointed to represent electrical parts manufacturers operating in this state, for a term expiring August 10, 2009.

Mr. Richard W. Long of 6858 Longworth, Waterford, Michigan 48329, county of Oakland, reappointed to represent the general public, for a term expiring August 10, 2009.

August 25, 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 under Section 213 of the Worker's Disability Compensation Act of 1969, 1969 PA 317, MCL 418.213 and Executive Order 2003-18, MCL 445.2011:

Worker's Compensation Board of Magistrates

Ms. Melody A. Paige of 4040 Cullen, Fenton, Michigan 48430, county of Livingston, succeeding Alexander T. Ornstein, who has resigned, appointed for a term commencing September 11, 2006 and expiring January 26, 2009.

Sincerely,
Jennifer M. Granholm
Governor

The appointments were referred to the Committee on Government Operations.

The following message from the Governor was received and read:

APPROPRIATIONS; DEPARTMENT OF EDUCATION

August 10, 2006

Today I have signed Enrolled Senate Bill 1085, a bill making appropriations for the Department of Education for the fiscal year ending September 30, 2007. However, I am returning it to you because of two items I have disapproved as authorized by Section 19 of Article V of the Michigan Constitution of 1963. The specific item vetoes are contained in the attached copy of the enrolled bill, which has been filed with the Secretary of State.

Senate Bill 1085 provides over \$90 million to improve student achievement and increase accountability as required by the federal No Child Left Behind Act and enables the Department of Education to administer over \$13 billion in school aid payments to local school districts. In addition, the bill supports the administration of early intervention efforts for academically at-risk children, special education programs, professional preparation services, and the Michigan Schools for the Deaf and Blind.

Due to limited state resources, my action today includes veto of:

- \$50,000 for dues to the Education Commission of the States, and
- \$25,000 in support of Michigan History Day (Section 304).

I thank the Legislature for its work on this budget bill.

Sincerely,
Jennifer M. Granholm
Governor

This bill was signed by the Governor on August 10, 2006, at 9:17 a.m. (Filed with the Secretary of State on August 10, 2006, at 3:22 p.m.) and assigned Public Act No. 332.

The question being on the passage of the vetoed line items, the objections of the Governor to the contrary notwithstanding,

Senator Hammerstrom moved that further consideration of the bill be postponed for today.

The motion prevailed.

The following message from the Governor was received and read:

APPROPRIATIONS; DEPARTMENT OF ENVIRONMENTAL QUALITY

August 15, 2006

Today I have signed Enrolled Senate Bill 1086, which provides \$444.2 million to support the fiscal year 2007 operations of the Department of Environmental Quality. I am, however, returning it to you because of four items of which I disapprove, pursuant to Article V, section 19, of the Michigan Constitution. The specific vetoes are contained in the attached copy of the bill, which has been filed with the Secretary of State.

My action today completes the fiscal year 2007 budget for the Department of Environmental Quality and supports critical environmental programs including \$40 million for strategic water quality programs; over \$21 million for the environmental cleanup and redevelopment program; almost \$9 million for Brownfield grants and loans; and \$605,000 to implement the recently enacted water withdrawal statutes.

My action today also vetoes four items with which I do not concur. I have vetoed funding for a grant to Michigan legislative council for an environmental ombudsman as this funding is intended for a service to be provided by the Legislative Branch but paid for by an Executive Branch agency.

I have vetoed funding for Little Black Creek and Muskegon County, including boilerplate section 1104, as these special interest projects should be considered through the regular remediation and redevelopment grant process.

I have vetoed boilerplate section 222, which provides funding for a consultant to benchmark the permitting programs. Significant improvements have been made by the Department of Environmental Quality over the past few years to reduce air quality permit processing times, and to streamline the National Pollution Discharge Elimination System permit process. These successes were achieved through partnerships with industry, public utilities, the federal government, and through examination of best practices in other states. Efforts are also underway to expand these process improvements to other areas of the Department's land and water permit programs. Scarce state resources would be better utilized to build on these successes and continue efforts to reduce the time required to issue permits.

Finally, boilerplate sections 229 and 801 are legally unenforceable, as they attempt to amend Public Act 451 of 1994 by reference.

This bill supports the essential operations of the Department of Environmental Quality and I thank the Legislature for its cooperation in finalizing the fiscal year 2007 budget.

Sincerely,
Jennifer M. Granholm
Governor

This bill was signed by the Governor on August 15, 2006, at 8:17 a.m. (Filed with the Secretary of State on August 16, 2006, at 1:57 p.m.) and assigned Public Act No. 343.

The question being on the passage of the vetoed line items, the objections of the Governor to the contrary notwithstanding,

Senator Hammerstrom moved that further consideration of the bill be postponed for today.

The motion prevailed.

The following message from the Governor was received and read:

APPROPRIATIONS; DEPARTMENT OF NATURAL RESOURCES

August 15, 2006

Today I have signed Enrolled Senate Bill 1094, which provides \$291.5 million to support the fiscal year 2007 operations of the Department of Natural Resources. I am, however, returning it to you because of four items of which I disapprove, pursuant to Article V, section 19, of the Michigan Constitution. The specific vetoes are contained in the attached copy of the bill, which has been filed with the Secretary of State.

My action today completes the fiscal year 2007 budget for the Department of Natural Resources and provides funding for a wide variety of recreational and conservation activities available to the public, including over \$60 million for parks and recreation and nearly \$45 million for management of forests. In addition, this bill provides over \$15 million in support of the payments in lieu of taxes program.

My action today also vetoes four items with which I do not concur.

I have vetoed boilerplate section 709 and related waterways funding for a breakwall, which is under the jurisdiction of the United States Army of Corps of Engineers because the Department lacks the legal authority to make the repairs. Further, use of Waterways Fund resources in this prescribed manner is inappropriate. I have directed the department to work with the Army Corps of Engineers in an effort to acquire federal funding for repair of this break wall and will support future appropriation of federal resources toward this end.

I have vetoed boilerplate section 603 that appropriates funding to remove three publicly owned dams on the Kalamazoo River. Significant clean up activity must occur before the dams are removed or the contamination will release downstream. The dams cannot legally be removed without permission from the Environmental Protection Agency (EPA) and without securing funds for the remediation activities. The Department of Environmental Quality is involved in on-going negotiations with the primary responsible parties and the EPA. The responsible parties are legally obligated to pay for these remediation activities; therefore, state support is unnecessary and could potentially compromise on-going negotiations.

I have vetoed boilerplate section 1104 that provides federal land and water conservation fund support to Cascades Park in Jackson County as federal requirements mandate that all such funding be awarded through an open competitive grant process.

Finally, I have vetoed funding for Chapel dam maintenance as this is a locally owned dam and it is the responsibility of the local owners to maintain the dam.

This bill supports the essential operations of the Department of Natural Resources and I thank the Legislature for its cooperation in finalizing the fiscal year 2007 budget.

Sincerely,
Jennifer M. Granholm
Governor

This bill was signed by the Governor on August 15, 2006, at 8:25 a.m. (Filed with the Secretary of State on August 16, 2006, at 1:59 p.m.) and assigned Public Act No. 344.

The question being on the passage of the vetoed line items, the objections of the Governor to the contrary notwithstanding,

Senator Hammerstrom moved that further consideration of the bill be postponed for today.

The motion prevailed.

By unanimous consent the Senate proceeded to the order of

Resolutions

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

Senate Resolution No. 71

Senate Concurrent Resolution No. 53

The motion prevailed.

Senators Brater, Jacobs, Prusi, Olshove, Switalski, Barcia, Scott, Clark-Coleman, Schauer, Clarke, Emerson, Basham, Patterson, Leland, Van Woerkom, Thomas, Toy and Birkholz offered the following resolution:

Senate Resolution No. 159.

A resolution to memorialize the Congress of the United States to encourage other nations to adopt the International Plant Protection Convention guidelines for regulating wood packaging materials to prevent the introduction of invasive species into the United States.

Whereas, Nonnative and harmful invasive species of insects and plant diseases are increasingly recognized as a severe threat to our nation's economy, natural resources, and health. More than one in seven of the nonnative plant and animal species that have become established in the United States over the past 200 years have become invasive, with damage and control costs estimated at more than \$138 billion each year; and

Whereas, Invasive species like the emerald ash borer and Asian long-horned beetle have been introduced in the United States through wood packaging materials used in international trade. Since the emerald ash borer's introduction to Michigan in the early 1990s, it has caused the death or decline of 15 million ash trees in Michigan and the death of trees in Illinois, Indiana, Ohio, Maryland, and Virginia; and

Whereas, The first line of defense and most cost-effective strategy against invasive species is preventing them from being introduced and becoming established. Unfortunately, there has been inadequate authority and funding for federal, state, and local governments to stop the introduction and spread of invasive species; and

Whereas, The International Plant Protection Convention has adopted an international standard to prevent the introduction of invasive species associated with wood packaging materials, including the use of effective preventative measures such as heat treatment. The United States, China, Australia, Japan, and 149 other countries are among the participants of the International Plant Protection Convention; now, therefore, be it

Resolved by the Senate, That we memorialize the Congress of the United States to encourage other nations to adopt the International Plant Protection Convention guidelines for regulating wood packaging material in international trade to prevent the further introduction of invasive species into the United States; 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 Natural Resources and Environmental Affairs.

The motion prevailed.

Introduction and Referral of Bills

Senators Barcia, Goschka and Stamas introduced

Senate Bill No. 1391, entitled

A bill to amend 1855 PA 105, entitled "An act to regulate the disposition of the surplus funds in the state treasury; to provide for the deposit of surplus funds in certain financial institutions; to lend surplus funds pursuant to loan agreements secured by certain commercial, agricultural, or industrial real and personal property; to authorize the loan of surplus funds to certain municipalities; to authorize the participation in certain loan programs; to authorize an appropriation; and to prescribe the duties of certain state agencies," by amending section 2e (MCL 21.142e), as amended by 2004 PA 342.

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

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

Senate Bill No. 1392, entitled

A bill to establish the worker emergency fund in the department of treasury; and to provide certain powers and duties of the department of treasury with respect to the fund.

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

Senators Hardiman, Birkholz, Jelinek, Kuipers, Hammerstrom, Cropsey, Bishop, Patterson, Gilbert, Van Woerkom, Allen, Goschka and Thomas introduced

Senate Bill No. 1393, entitled

A bill to amend 1939 PA 280, entitled "The social welfare act," by amending section 57k (MCL 400.57k), as amended by 2004 PA 445.

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

Senators McManus, Basham and Birkholz introduced

Senate Bill No. 1394, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding section 40111c.

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

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 pro tempore, Senator Birkholz, designated Senator Birkholz 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 amendments, the following bill:

Senate Bill No. 1335, entitled

A bill to provide for the administration of the Michigan merit award program; to provide for the powers and duties of certain state officers and entities; and to repeal acts and parts of acts.

The following are the amendments recommended by the Committee of the Whole:

1. Amend page 5, line 7, after "and" by striking out "has" and inserting "meets 1 of the following: (A) Has".
2. Amend page 5, following line 8, by inserting:

"(B) If the student completed a vocational education program that does not record grades or grade point averages for its students, has successfully completed that program."
3. Amend page 7, line 25, after "and" by striking out "has" and inserting "meets 1 of the following: (i) Has".
4. Amend page 7, following line 26, by inserting:

"(ii) If the student completed a vocational education program that does not record grades or grade point averages for its students, has successfully completed that program."
5. Amend page 10, line 4, after "department." by inserting "The approved postsecondary educational institution shall apply money received under this section on a student's behalf to the student's outstanding indebtedness, if any, and deliver the balance of the money to the student."

The Senate agreed to the amendments 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. 453, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," (MCL 206.1 to 206.532) by adding section 272. Substitute (S-5).

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

1. Amend page 2, following line 4, by inserting:

"Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 93rd Legislature are enacted into law:

 - (a) Senate Bill No. 1364.
 - (b) House Bill No. 6213."

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

Recess

Senator Hammerstrom moved that the Senate recess subject to the call of the Chair. The motion prevailed, the time being 2:47 p.m.

3:03 p.m.

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

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 Kuipers 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 a substitute therefor, the following bill:

Senate Bill No. 1364, entitled

A bill to amend 1964 PA 154, entitled "Minimum wage law of 1964," by amending section 4b (MCL 408.384b), as added by 1997 PA 1.

Substitute (S-3).

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

1. Amend page 2, following line 8, by inserting:

"Enacting section 2. This amendatory act does not take effect unless all of the following bills of the 93rd Legislature are enacted into law:

 - (a) Senate Bill No. 453.
 - (b) House Bill No. 6213."

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

Recess

Senator Hammerstrom moved that the Senate recess subject to the call of the Chair. The motion prevailed, the time being 3:10 p.m.

3:22 p.m.

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

By unanimous consent the Senate returned to the order of
Messages from the House

The House of Representatives returned, in accordance with the request of the Senate

House Bill No. 6213, entitled

A bill to amend 1964 PA 154, entitled "An act to fix minimum wages for employees within this state; to prohibit wage discrimination; to provide for the administration and enforcement of this act; and to prescribe penalties for the violation of this act," by amending section 14 (MCL 408.394), as amended by 1998 PA 37.

The bill 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 following bill be placed at the head of the Third Reading of Bills calendar:

House Bill No. 6213

The motion prevailed.

The following bill was announced:

House Bill No. 6213, entitled

An act to amend 1964 PA 154, entitled "An act to fix minimum wages for employees within this state; to prohibit wage discrimination; to provide for the administration and enforcement of this act; and to prescribe penalties for the violation of this act," by amending section 14 (MCL 408.394), as amended by 1998 PA 37.

Senator Hammerstrom moved that rule 3.311 be suspended to permit reconsideration of the vote by which the bill was passed.

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

Senator Hammerstrom moved to reconsider the vote by which the bill was passed.

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

The question being on the passage of the bill,

Senator Sikkema offered the following amendment:

1. Amend page 2, following line 25, by inserting:

"Enacting section 2. This amendatory act does not take effect unless all of the following bills of the 93rd Legislature are enacted into law:

(a) Senate Bill No. 453.

(b) Senate Bill No. 1364."

The amendment was adopted, a majority of the members serving voting therefor.

Senators Emerson and Sikkema offered the following amendment:

1. Amend page 2, following line 3, by inserting:

"(2) NOTWITHSTANDING SUBSECTION (1), AN EMPLOYEE SHALL BE PAID IN ACCORDANCE WITH THE MINIMUM WAGE AND OVERTIME COMPENSATION REQUIREMENTS OF SECTIONS 4 AND 4A IF THE EMPLOYEE MEETS EITHER OF THE FOLLOWING CONDITIONS:

(A) IS EMPLOYED IN DOMESTIC SERVICE EMPLOYMENT TO PROVIDE COMPANIONSHIP SERVICES AS DEFINED IN 29 CFR 552.6 FOR INDIVIDUALS WHO, BECAUSE OF AGE OR INFIRMITY,

ARE UNABLE TO CARE FOR THEMSELVES AND IS NOT A LIVE-IN DOMESTIC SERVICE EMPLOYEE AS DESCRIBED IN 29 CFR 552.102.

(B) IS EMPLOYED TO PROVIDE CHILD CARE, BUT IS NOT A LIVE-IN DOMESTIC SERVICE EMPLOYEE AS DESCRIBED IN 29 CFR 552.102. HOWEVER, THE REQUIREMENTS OF SECTIONS 4 AND 4A DO NOT APPLY IF THE EMPLOYEE MEETS ALL OF THE FOLLOWING CONDITIONS:

(i) IS UNDER THE AGE OF 18.

(ii) PROVIDES SERVICES ON A CASUAL BASIS AS DESCRIBED IN 29 CFR 552.5.

(iii) PROVIDES SERVICES THAT DO NOT REGULARLY EXCEED 20 HOURS PER WEEK, IN THE AGGREGATE.” and renumbering the remaining subsections.

The amendment was adopted, a majority of the members serving voting therefor.

Senator Hammerstrom moved that rule 3.311 be suspended to permit reconsideration of the vote by which the amendment offered by Senator George was adopted.

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

Senator Hammerstrom moved to reconsider the vote by which the amendment offered by Senator George was adopted.

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

The question being on the adoption of the amendment,

Senator George withdrew the amendment.

Senator George offered the following amendment:

1. Amend page 2, following line 23, by inserting:

“(5) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, SUBSECTION (1)(A) AND (B) AND SUBSECTION (2) DO NOT DEPRIVE AN EMPLOYEE OR ANY CLASS OF EMPLOYEES OF ANY RIGHT THAT EXISTED ON SEPTEMBER 30, 2006 TO RECEIVE OVERTIME COMPENSATION OR TO BE PAID THE MINIMUM WAGE.”.

The amendment was 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. 631

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

Senator Hammerstrom moved that the bill be given immediate effect.

The question being on the motion to give the bill immediate effect,

Senator Hammerstrom moved that further consideration of the bill be postponed temporarily.

The motion prevailed.

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

House Bill No. 6231

The motion prevailed.

The following bill was announced:

House Bill No. 6231, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 7925 (MCL 500.7925), as amended by 1980 PA 41.

(This bill was read a third time earlier today, amendment offered and consideration postponed. See p. 1967.)

The question being on the adoption of the amendment offered by Senator Clarke,

Senator Clarke withdrew the amendment.

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. 632

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

Senator Hammerstrom moved that the bill be given immediate effect.

The motion prevailed, 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 revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for

the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker's compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act.”.

The Senate agreed to the full title.

By unanimous consent the Senate returned to consideration of the following bill:

House Bill No. 6213, entitled

A bill to amend 1964 PA 154, entitled “An act to fix minimum wages for employees within this state; to prohibit wage discrimination; to provide for the administration and enforcement of this act; and to prescribe penalties for the violation of this act,” by amending section 14 (MCL 408.394), as amended by 1998 PA 37.

(This bill passed earlier today and the motion for immediate effect postponed. See p. 1994.)

The question being on the motion to give the bill immediate effect,

The motion prevailed, 2/3 of the members serving voting therefor.

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

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

The motion prevailed.

Senator Emerson's statement is as follows:

I wanted to point out to the Senate what I believe the Majority Leader has already pointed out, and that is, our intention with this legislation. During our discussion of this bill, concerns were raised about some of the changes to subsections (1)(a), (1)(b), and (2), and that they might operate to remove overtime and minimum wage protections which is currently enjoyed by certain groups of Michigan workers by virtue of Michigan law.

To address that concern, there is a savings clause at the end of the bill which protects the Michigan minimum wage and overtime rights for all employees and classes of employees—and future employees in those categories—if they are entitled to minimum wage and the overtime protections of Michigan law as of September 30, 2006.

Senator Hammerstrom moved that the rules be suspended and that the following bills, now on the order of Third Reading of Bills, be placed on their immediate passage:

Senate Bill No. 1335

Senate Bill No. 453

Senate Bill No. 1364

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

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

Senate Bill No. 1335

Senate Bill No. 1364

Senate Bill No. 453

The motion prevailed.

The following bill was read a third time:

Senate Bill No. 1335, entitled

A bill to provide for the administration of the Michigan merit award program; to provide for the powers and duties of certain state officers and entities; 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. 633

Yeas—36

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

Nays—2

Johnson	Kuipers
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Excused—0

Not Voting—0

In The Chair: Birkholz

The Senate agreed to the title of the bill.

Senators Cherry and Goschka asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Cherry's statement is as follows:

I rise today in strong support of Senate Bill No. 1335. I think that today is a very great day for the Michigan State Senate. The action that we are taking on this and other bills today shows that we can work on agreements. We can be bipartisan, and this bill is a prime example of that.

As you know, this bill provides a \$4,000 scholarship to every student who completes two years of education after high school. This requires those who pass the Merit Scholarship test, they will be able to receive half of their dollars immediately, and then after they finish the two years, get the remainder of the \$4,000. Those who don't meet the qualifications of the test will receive this scholarship by showing that they can successfully complete two years of education and achieve work skills for the future.

It's exciting. I think today we are providing the opportunity for every student in Michigan to succeed and to go on for additional training in higher education. So I think a number of people who have worked on this proposal last summer, in addition to the leadership of the Senate, the good Senator from the 32nd District sat in a room with some staff people, along with the Governor's staff people and myself, and we hammered out the details that you see before you today. I want to thank the good Senator for the work that he did and the work that all of those who were in that room did to accomplish what we are doing today. This provides hope for every Michigan student. It is good for all of the students, it's good for the economy, and it's good for the state.

I ask members to support it.

Senator Goschka’s statement is as follows:

I also rise in very strong support of this bill. I do appreciate the work that Senator Cherry has done. I remember sitting down at many meetings trying to do what we could in terms of looking out for the best interests of families. There was a lot of discussion about giving students who did not necessarily do well on the Merit test, the MEAP, somehow giving them a second chance. That was a priority that we worked together on.

The current Merit, the most, of course, that will be given to a student under current law is \$3,000. In very tough economic times when tuition costs are rising, this, if passed, would allow a student to receive up to \$4,000, something I think a lot of students, a lot of families would care a lot about.

I think one of the strongest parts of this entire measure is the issue of the second chance. Under current law, if you didn’t do well on the MEAP test, and therefore did not receive the Merit, there is no other opportunity. And, yet, many individuals, as we know, once they go to college, they get clued in to their own education and suddenly they really take off, and it’s exciting to see.

This is something, I think, all of us as lawmakers can look at and be proud of. I would strongly urge your support.

The following bill was read a third time:

Senate Bill No. 1364, entitled

A bill to amend 1964 PA 154, entitled “Minimum wage law of 1964,” by amending section 4b (MCL 408.384b), as added by 1997 PA 1.

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. 634

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: Birkholz

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 453, entitled

A bill to amend 1967 PA 281, entitled “Income tax act of 1967,” (MCL 206.1 to 206.532) by adding section 272.

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. 635**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: Birkholz

The Senate agreed to the title of the bill.

Senators Cassis, Hardiman and Emerson asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Cassis' statement is as follows:

As the author of Michigan's earned income tax credit, this bill today brings both Republicans and Democrats together in a philosophical consensus to help the working poor. Passing this legislation helps people at the lower income levels in terms of keeping more of their hard-earned income.

They may choose to save or spend these dollars, but this puts more money into their wallets. It is well known that disposable income will find its way back into the economy, thus providing a much-needed stimulus to Michigan's economy.

Senator Hardiman's statement is as follows:

Madam President, I rise in support of Senate Bill No. 453. The earned income tax credit is an important tool in lifting people from poverty to self-sufficiency. It puts money in the pockets of people entering the workforce or struggling to stay off public assistance. Last year, 628,016 Michigan residents received earned income tax credit payments totaling \$1.1 billion—these are federal payments.

We spent last year debating numerous proposals on moving people from welfare to work and on complying with tougher federal work requirements. This is a way to help the working poor even right now. Businesses ranging, if I may speak to the tie-bar, from restaurants to TV stations to grocers urge action on the minimum wage fixes, and I approve of the tie-bar as well. These are the kinds of businesses that often employ people moving into work.

I urge adoption of the proposal to link the new state earned income tax credit to help keep people in the workplace and begin to build assets for themselves and their families. The Legislature has a good record of supporting earned income tax credits. The Department of Human Services budget has included steady increases for education on the federal earned income tax credit. Now we need to make further progress by passing this bill. I do congratulate the sponsor of Senate Bill No. 453.

The new earned income tax credit is supported by groups interested in sustaining asset development for the working poor, including the Michigan Catholic Conference. Most importantly, it will make a real difference in their lives.

Senator Emerson's statement is as follows:

I rise to support Senate Bill No. 453. You know, probably the first 16 years that I served in the House of Representatives I introduced legislation that would have created a Michigan earned income tax credit. I want to thank the members of the majority who have agreed on a bipartisan basis to deal with this legislation, which I think was the least controversial issue that we've had to deal with in recent times.

The Majority Leader, I think, was incredibly helpful and ought to be thanked for his efforts on this. I know that it is an issue that, I think, is very important, especially in light of some of the statistics that came out yesterday. I know that I live in a city that has the highest rate of poverty of any city in the country. As we try to encourage people to get out and work, to make that work helpful in sustaining a family, I think that this is going to go a long way towards achieving that.

I want to thank those in the majority and the members of the minority for making this an incredibly bipartisan piece of legislation that I think is going to be very helpful to those at the lowest end of the economic scale as they move into work and make their lives more meaningful.

I would encourage a "yes" vote.

By unanimous consent the Senate returned to the order of
Messages from the House

Senate Bill No. 1362, entitled

A bill to amend 1980 PA 119, entitled "Motor carrier fuel tax act," by amending sections 2 and 4 (MCL 207.212 and 207.214), as amended by 2002 PA 667.

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.

Senator Hammerstrom moved that the bill be given immediate effect.

The motion prevailed, 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.

Senator Hammerstrom moved that when the Senate adjourns today, it stand adjourned until Tuesday, September 5, 2006, at 12:00 noon.

The motion prevailed.

Committee Reports

COMMITTEE ATTENDANCE REPORT

The Joint Select Committee on Economic Growth (SCR 45) submitted the following:

Meeting held on Wednesday, August 23, 2006, at 10:00 a.m., Room 519, South Tower, House Office Building

Present: Senators Cassis (C), Sanborn and Thomas

Scheduled Meetings

Judiciary - Tuesday, September 5, 1:00 p.m., Room 210, Farnum Building (373-3760)

Legislative Retirement Board of Trustees - Wednesday, September 6, 3:00 p.m., Room H-252, Capitol Building (373-0575)

Senator Hammerstrom moved that the Senate adjourn.

The motion prevailed, the time being 4:08 p.m.

In pursuance of the order previously made, the President pro tempore, Senator Birkholz, declared the Senate adjourned until Tuesday, September 5, 2006, at 12:00 noon.

CAROL MOREY VIVENTI
Secretary of the Senate

