

**No. 70**  
**STATE OF MICHIGAN**  
**Journal of the Senate**  
**92nd Legislature**  
**REGULAR SESSION OF 2003**

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Senate Chamber, Lansing, Thursday, July 17, 2003.

10:00 a.m.

The Senate was called to order by the Assistant President pro tempore, Senator Alan Sanborn.

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

Allen—present  
Barcia—present  
Basham—present  
Bernero—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—excused  
Johnson—present  
Kuipers—present  
Leland—present  
McManus—present

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

Reverend Gene Harris of Faith Bible Church of Lansing offered the following invocation:

Infinite God and Father of all, we thank You that You have placed within us the aspiration and desire to make this world a better place for mankind. “Unless the Lord builds the house, those who build it labor in vain. Unless the Lord watches over the city, the watchman stays awake in vain.”

“For no other foundation can anyone lay than that which is laid, which is Jesus Christ. Now if anyone builds on the foundation with gold, silver, precious stones, wood, hay, stubble—each man’s work will become manifest; for the day will disclose it because it will be revealed with fire, and the fire will test what sort of work each one has done. If the work which any man has built on the foundation survives, he will receive a reward.”

And so we gather this day, dear Lord, and ask Your guidance that we might please You and we might do Your work and complete that task which You have put before us today. We ask Your help that we might exemplify the spirit of Christ who is our master builder and that we might build upon the foundation which He has set before us.

We thank You, Almighty God, for the blessing of rest and rejuvenation of last night’s sleep. We pray for strength today and alertness, that we might be refreshed and that we might give good counsel. It is a very refreshing experience to pause in the midst of the rush and demands of life and to place our will into Your hands, O Lord, for you tell us, “Be still and know that I am God.”

O thou God, who is eternal and the Father of the Lord Jesus Christ, in the dwelling place of all Thy people through the ages, You are our pillar and our strength and our refuge. Help us now to labor and to serve our community and our nation.

Please, Lord, bless our President, all those who serve in the military, and all those who make decisions on behalf of our country, that they may be guided and may do what is right. O Thou, whose kingdom must be first, help us in the opening of this session of the Senate to remember the words of our Lord, know yet that we must do our Father’s business. And may we understand that every Christian has a secret calling to serve God daily as an expression of love and goodwill for our fellow man. As many people cross these thresholds, may they realize the real purpose of our lives is to seek the kingdom of God and His righteousness.

And now in the name of Christ, our Lord, we ask with this prayer that You, too, Lord would fill us with strength, alertness, and goodwill. It is in Jesus’ name we pray. Amen.

The Assistant President pro tempore, Senator Sanborn, led the members of the Senate in recital of the *Pledge of Allegiance*.

### Motions and Communications

Senators Cropsey, Leland, Sikkema and Garcia entered the Senate Chamber.

Senator Hammerstrom moved that Senator Jelinek be excused from today’s session.  
The motion prevailed.

Senator Schauer moved that Senators Bernero and Emerson be temporarily excused from today’s session.  
The motion prevailed.

Senator Schauer moved that Senator Scott be excused from today’s session.  
The motion prevailed.

The following communication was received:  
Office of the Auditor General

July 16, 2003

Enclosed is a copy of the following audit report and/or report summary:  
Performance Audit of the Capital Renewal Division and the Design and Construction Division Department of Management and Budget, July 2003.

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

The communication was referred to the Secretary for record.

The Secretary announced that the following bills were available at the legislative Web site on Wednesday, July 16:  
**Senate Bill Nos. 611 612 613 614 615 616 617 618**

By unanimous consent the Senate proceeded to the order of  
**Conference Reports**

Senator Garcia submitted the following:

**FIRST CONFERENCE REPORT**

The Committee of Conference on the matters of difference between the two Houses concerning  
**Senate Bill No. 270, entitled**

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2004; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances for the fiscal year ending September 30, 2003; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

Recommends:

First: That the Senate and House agree to the Substitute of the House as passed by the House, amended to read as follows:

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2004; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

**PART 1**

**LINE-ITEM APPROPRIATIONS**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the executive office, the legislative branch, and certain other state purposes, for the fiscal year ending September 30, 2004, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**TOTAL GENERAL GOVERNMENT**

**APPROPRIATION SUMMARY:**

Full-time equated unclassified positions .....	48.0	
Full-time equated classified positions .....	6,825.9	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 2,856,091,300</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....	569,647,200	
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 2,286,444,100</b>
Federal revenues:		
Total federal revenues .....	60,641,300	
Special revenue funds:		
Total local revenues .....	2,610,800	
Total private revenues .....	550,100	
Total other state restricted revenues .....	1,867,448,600	
State general fund/general purpose .....		\$ 355,193,300

**Sec. 102. DEPARTMENT OF ATTORNEY GENERAL**

**(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	562.0	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 61,462,400</b>

	For Fiscal Year Ending Sept. 30, 2004
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	\$ 10,810,600
ADJUSTED GROSS APPROPRIATION .....	\$ 50,651,800
Federal revenues:	
Total federal revenues .....	8,971,800
Special revenue funds:	
Total local revenues .....	0
Total private revenues .....	0
Total other state restricted revenues .....	10,670,100
State general fund/general purpose .....	\$ 31,009,900
<b>(2) ATTORNEY GENERAL OPERATIONS</b>	
Full-time equated unclassified positions .....6.0	
Full-time equated classified positions .....562.0	
Attorney general .....	\$ 124,900
Unclassified positions—5.0 FTE positions.....	476,300
Attorney general operations—522.0 FTE positions.....	56,075,400
Child support enforcement—25.0 FTE positions .....	2,132,400
Prosecuting attorneys coordinating council—15.0 FTE positions.....	1,503,800
PACC, training project .....	325,000
GROSS APPROPRIATION .....	\$ 60,637,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG from FIA .....	2,663,600
IDG from MDCIS, financial and insurance services .....	122,800
IDG from MDCIS, health services.....	1,170,400
IDG from MDCIS, public utility assessments .....	1,678,700
IDG from MDMB, risk management revolving fund.....	1,183,000
IDG from MDOT, comprehensive transportation fund .....	131,500
IDG from MDOT, state aeronautics fund .....	125,400
IDG from MDOT, state trunkline fund.....	2,566,200
IDG from MDSP, Michigan justice training fund.....	325,000
IDG from Michigan gaming control board.....	844,000
Federal revenues:	
DAG, state administrative match grant/food stamps.....	978,200
DED-OPSE, student loan, federal lender allowance.....	288,600
DOL-ETA, unemployment insurance .....	1,372,900
DOL-OSHA, occupational safety and health.....	251,600
EPA, multiple grants .....	242,600
Federal funds .....	2,136,600
HHS, medical assistance, medigrant .....	556,700
HHS-OS, state Medicaid fraud control units.....	3,144,600
Special revenue funds:	
Antitrust enforcement collections .....	558,300
Auto repair facilities fees.....	195,000
Collections revenue.....	590,900
Corporate fees and security fees .....	127,600
Environmental response fund .....	657,800
Franchise fees .....	244,400
Game and fish protection fund.....	640,800
Liquor purchase revolving fund .....	857,800
Manufactured housing fees .....	190,200
Michigan state housing development authority fees.....	487,700
Oil and gas privilege fee revenue.....	145,000
Prisoner reimbursement.....	1,101,700
Prosecuting attorneys training fees .....	326,800
Retirement funds.....	621,100

	For Fiscal Year Ending Sept. 30, 2004
Second injury fund.....	\$ 927,200
Self-insurers security fund.....	155,900
Silicosis and dust disease fund.....	464,300
State building authority revenue.....	82,000
State hospital authority .....	319,200
State lottery fund .....	207,300
State restricted .....	725,000
Tobacco settlement trust fund .....	351,800
Utility consumers fund.....	476,600
Waterways fund. ....	83,600
Worker's compensation administrative revolving fund .....	132,100
State general fund/general purpose .....	\$ 30,185,300
<b>(3) INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 824,600
GROSS APPROPRIATION .....	\$ 824,600
Appropriated from:	
Special revenue funds:	
State general fund/general purpose .....	\$ 824,600
<b>Sec. 103. DEPARTMENT OF CIVIL RIGHTS</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated unclassified positions .....	5.0
Full-time equated classified positions .....	137.0
GROSS APPROPRIATION .....	\$ 13,117,200
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	\$ 0
ADJUSTED GROSS APPROPRIATION .....	\$ 13,117,200
Federal revenues:	
Total federal revenues .....	934,000
Special revenue funds:	
Total local revenues .....	0
Total private revenues .....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ 12,183,200
<b>(2) CIVIL RIGHTS OPERATIONS</b>	
Full-time equated unclassified positions .....	5.0
Full-time equated classified positions .....	137.0
Unclassified positions—5.0 FTE positions.....	\$ 254,100
Civil rights operations—137.0 FTE positions .....	12,059,100
GROSS APPROPRIATION .....	\$ 12,313,200
Appropriated from:	
Federal revenues:	
EEOC, state and local antidiscrimination agency contracts.....	600,000
HUD, grant .....	334,000
Special revenue funds:	
State general fund/general purpose .....	\$ 11,379,200
<b>(3) INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 804,000
GROSS APPROPRIATION .....	\$ 804,000
Appropriated from:	
Special revenue funds:	
State general fund/general purpose .....	\$ 804,000
<b>Sec. 104. DEPARTMENT OF CIVIL SERVICE</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated classified positions .....	211.5
GROSS APPROPRIATION .....	\$ 31,853,900
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	\$ 2,300,000
ADJUSTED GROSS APPROPRIATION .....	\$ 29,553,900

	For Fiscal Year Ending Sept. 30, 2004
Federal revenues:	
Total federal revenues .....	\$ 4,779,100
Special revenue funds:	
Total local revenues .....	1,700,000
Total private revenues .....	150,000
Total other state restricted revenues .....	14,872,200
State general fund/general purpose .....	\$ 8,052,600
<b>(2) CIVIL SERVICE OPERATIONS</b>	
Full-time equated classified positions .....	211.5
Agency services—74.0 FTE positions.....	\$ 5,549,900
Human resources/administrative support—85.0 FTE positions .....	15,141,900
Employee benefits—31.0 FTE positions .....	5,096,200
Audit and compliance—21.5 FTE positions.....	2,202,200
Training .....	1,000,000
GROSS APPROPRIATION .....	\$ 28,990,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG, training charges.....	1,000,000
IDG, 1% special funds .....	1,300,000
Federal revenues:	
Federal funds 1% .....	3,637,100
Special revenue funds:	
Local funds 1% .....	1,700,000
Private funds 1% .....	150,000
Freedom of information fees .....	1,100
State restricted funds 1% .....	6,287,400
State sponsored group insurance .....	2,650,000
State sponsored group insurance, flexible spending accounts, and COBRA.....	5,096,200
State general fund/general purpose .....	\$ 7,168,400
<b>(3) INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 2,863,700
GROSS APPROPRIATION .....	\$ 2,863,700
Appropriated from:	
Federal revenues:	
Federal funds 1% .....	1,142,000
Special revenue funds:	
State restricted funds 1% .....	699,600
State sponsored group insurance, flexible spending accounts, and COBRA.....	137,900
State general fund/general purpose .....	\$ 884,200
<b>Sec. 105. EXECUTIVE OFFICE</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated unclassified positions .....	10.0
Full-time equated classified positions .....	74.2
GROSS APPROPRIATION .....	\$ 4,859,500
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	\$ 0
ADJUSTED GROSS APPROPRIATION .....	\$ 4,859,500
Federal revenues:	
Total federal revenues .....	0
Special revenue funds:	
Total local revenues .....	0
Total private revenues .....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ 4,859,500

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**(2) EXECUTIVE OFFICE OPERATIONS**

Full-time equated unclassified positions .....	10.0	
Full-time equated classified positions .....	74.2	
Governor.....		\$ 177,000
Lieutenant governor .....		123,900
Executive office—74.2 FTE positions .....		3,708,800
Unclassified positions—8.0 FTE positions.....		849,800
<b>GROSS APPROPRIATION</b> .....		<b>\$ 4,859,500</b>
Appropriated from:		
Special revenue funds:		
State general fund/general purpose .....		\$ 4,859,500

**Sec. 106. DEPARTMENT OF INFORMATION TECHNOLOGY**

**(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	1,749.4	
<b>GROSS APPROPRIATION</b> .....		<b>\$ 360,239,300</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		\$ 360,239,300
<b>ADJUSTED GROSS APPROPRIATION</b> .....		<b>\$ 0</b>
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues .....		0
Total private revenues .....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....		\$ 0

**(2) ADMINISTRATION**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	1,749.4	
Unclassified positions—6.0 FTE positions.....		\$ 300,000
Enterprisewide services—77.0 FTE positions .....		27,119,500
Health and human services—724.8 FTE positions .....		197,127,900
Education services—89.7 FTE positions.....		9,785,700
Public protection—296.0 FTE positions .....		30,663,400
Resources services—171.1 FTE positions.....		16,327,300
Transportation services—107.0 FTE positions .....		26,116,900
General services—283.8 FTE positions .....		52,798,600
<b>GROSS APPROPRIATION</b> .....		<b>\$ 360,239,300</b>
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of agriculture .....		1,461,900
IDG from department of attorney general .....		824,600
IDG from department of career development .....		6,492,700
IDG from department of civil rights .....		804,000
IDG from department of civil service .....		2,863,700
IDG from department of community health .....		30,616,000
IDG from department of consumer and industry services .....		15,158,000
IDG from MDCIS, unemployment agency .....		10,321,700
IDG from department of corrections .....		12,321,200
IDG from department of education .....		2,514,100
IDG from department of environmental quality .....		6,567,500
IDG from family independence agency .....		144,348,800
IDG from Michigan gaming control board.....		762,600
IDG from department of history, arts, and libraries .....		1,036,600
IDG from bureau of state lottery.....		3,363,100
IDG from department of management and budget.....		25,897,600
IDG from department of military and veterans affairs .....		1,170,300

	For Fiscal Year Ending Sept. 30, 2004
IDG from department of natural resources.....	\$ 8,866,700
IDG from department of state .....	24,071,600
IDG from department of state police.....	18,591,800
IDG from department of transportation.....	26,135,800
IDG from department of treasury.....	16,049,000
Special revenue funds:	
State general fund/general purpose .....	\$ 0
<b>Sec. 107. LEGISLATURE</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
GROSS APPROPRIATION .....	\$ 119,880,400
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	\$ 1,662,900
ADJUSTED GROSS APPROPRIATION.....	\$ 118,217,500
Federal revenues:	
Total federal revenues .....	0
Special revenue funds:	
Total local revenues .....	0
Total private revenues .....	400,000
Total other state restricted revenues .....	2,495,100
State general fund/general purpose .....	\$ 115,322,400
<b>(2) LEGISLATURE</b>	
Senate .....	\$ 27,452,700
Senate automated data processing .....	2,466,700
Senate fiscal agency.....	2,945,900
House of representatives .....	42,421,900
House automated data processing .....	1,890,600
House fiscal agency .....	2,774,500
Legislative auditor general.....	14,472,900
GROSS APPROPRIATION .....	\$ 94,425,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDCIS, liquor purchase revolving fund.....	51,600
IDG from MDCS .....	95,100
IDG from MDOT, comprehensive transportation fund .....	47,400
IDG from MDOT, Michigan transportation fund.....	181,100
IDG from MDOT, state aeronautics fund .....	16,600
IDG from MDOT, state trunkline fund.....	371,100
IDG, single audit act.....	900,000
Special revenue funds:	
Construction lien fund .....	12,400
Contract audit administration fees.....	52,700
Correctional industries revolving fund .....	29,600
Game and fish protection fund.....	21,400
Marine safety fund.....	1,900
Michigan economic development corporation .....	47,500
Michigan education trust fund .....	34,000
Michigan state fair revolving fund .....	33,000
Michigan state housing development authority fees .....	44,100
Michigan strategic fund .....	40,000
Michigan veterans' trust fund.....	22,600
Motor transport revolving fund .....	32,500
Office services revolving fund .....	29,300
State services fee fund .....	978,700
Waterways fund .....	5,600
State general fund/general purpose .....	\$ 91,377,000



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**(3) LEGISLATIVE COUNCIL**

Legislative council .....	\$	9,546,200
Legislative service bureau automated data processing .....		1,342,200
e-Law, legislative council technology enhancement project .....		500
Worker's compensation .....		135,900
National association dues .....		100,000
<b>GROSS APPROPRIATION</b> .....	\$	<u>11,124,800</u>

Appropriated from:

Special revenue funds:

Private - gifts and bequests revenues .....		400,000
State general fund/general purpose .....	\$	10,724,800

**(4) LEGISLATIVE RETIREMENT SYSTEM**

General nonretirement expenses .....	\$	4,057,000
<b>GROSS APPROPRIATION</b> .....	\$	<u>4,057,000</u>

Appropriated from:

Special revenue funds:

Court fees .....		1,109,800
State general fund/general purpose .....	\$	2,947,200

**(5) PROPERTY MANAGEMENT**

Capitol building .....	\$	2,160,000
Cora Anderson building .....		7,340,300
Farnum building and other properties .....		773,100
<b>GROSS APPROPRIATION</b> .....	\$	<u>10,273,400</u>

Appropriated from:

Special revenue funds:

State general fund/general purpose .....	\$	10,273,400
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**Sec. 108. DEPARTMENT OF MANAGEMENT AND BUDGET**

**(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	716.0
<b>GROSS APPROPRIATION</b> .....	\$ 230,187,800

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers .....	\$	162,216,800
<b>ADJUSTED GROSS APPROPRIATION</b> .....	\$	67,971,000

Federal revenues:

Total federal revenues .....		440,800
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Special revenue funds:

Total local revenues .....		0
Total private revenues .....		0
Total other state restricted revenues .....		31,201,300
State general fund/general purpose .....	\$	36,328,900

**(2) MANAGEMENT AND BUDGET SERVICES**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	574.5	
Unclassified positions—6.0 FTE positions .....	\$	570,800
Executive operations—17.0 FTE positions .....		1,615,100
Administrative services—66.5 FTE positions .....		5,738,600
Budget and financial management—111.5 FTE positions .....		9,018,500
Office of the state employer—25.0 FTE positions .....		2,498,600
Design and construction services—40.0 FTE positions .....		4,491,200
Business support services—84.5 FTE positions .....		6,780,000
Building operation services—230.0 FTE positions .....		92,242,500
Building occupancy charges, rent, and utilities .....		4,304,900
Motor vehicle fleet .....		58,500,000
<b>GROSS APPROPRIATION</b> .....	\$	<u>185,760,200</u>

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Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, state aeronautics fund .....	\$ 38,300
IDG from MDOT, comprehensive transportation fund .....	63,700
IDG from MDOT, state trunkline fund .....	1,386,500
IDG from building occupancy and parking charges .....	94,958,700
IDG from department of career development .....	100,000
IDG from motor transport fund .....	58,500,000
IDG from MDCH .....	235,000
IDG from user fees .....	4,636,400
Federal revenues:	
Federal funds .....	413,200
Special revenue funds:	
Game and fish protection fund .....	310,700
Health management funds .....	1,462,700
Marine safety fund .....	29,900
Pension trust funds .....	1,299,000
Special revenue, internal service, and pension trust funds .....	4,775,500
State building authority revenue .....	511,200
State lottery fund .....	139,600
Waterways fund .....	67,500
State general fund/general purpose .....	\$ 16,832,300
<b>(3) STATEWIDE APPROPRIATIONS</b>	
Professional development fund - MPES .....	\$ 105,000
Professional development fund - UAW .....	900,000
Professional development fund - AFSCME .....	400,000
GROSS APPROPRIATION .....	\$ 1,405,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG from employer contributions .....	1,405,000
Special revenue funds:	
State general fund/general purpose .....	\$ 0
<b>(4) SPECIAL PROGRAMS</b>	
Full-time equated classified positions .....	141.5
Building occupancy charges - property management services for executive/legislative building occupancy .....	\$ 1,875,100
Retirement services—127.5 FTE positions .....	14,034,800
Office of children's ombudsman—14.0 FTE positions .....	1,215,100
GROSS APPROPRIATION .....	\$ 17,125,000
Appropriated from:	
Special revenue funds:	
Deferred compensation .....	1,380,800
Pension trust funds .....	12,654,000
State general fund/general purpose .....	\$ 3,090,200
<b>(5) INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 25,897,600
GROSS APPROPRIATION .....	\$ 25,897,600
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, state aeronautics fund .....	1,100
IDG from MDOT, comprehensive transportation fund .....	2,100
IDG from MDOT, state trunkline fund .....	47,500
IDG from building occupancy and parking charges .....	655,700
IDG from user fees .....	186,800
Federal revenues:	
Federal funds .....	27,600

	For Fiscal Year Ending Sept. 30, 2004
Special revenue funds:	
Game and fish protection fund.....	\$ 9,800
Health management funds.....	41,700
Marine safety fund.....	900
MAIN user charges.....	4,042,200
Pension trust funds.....	2,052,300
Special revenue, internal service, and pension trust funds .....	2,404,600
State building authority revenue.....	9,700
State lottery fund .....	4,600
Waterways fund .....	2,000
Deferred compensation .....	2,600
State general fund/general purpose .....	\$ 16,406,400
<b>Sec. 109. DEPARTMENT OF STATE</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	1,849.8
GROSS APPROPRIATION .....	\$ 181,121,500
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	\$ 20,000,000
ADJUSTED GROSS APPROPRIATION .....	\$ 161,121,500
Federal revenues:	
Total federal revenues .....	1,319,500
Special revenue funds:	
Total local revenues .....	0
Total private revenues .....	100
Total other state restricted revenues .....	143,070,200
State general fund/general purpose .....	\$ 16,731,700
<b>(2) EXECUTIVE DIRECTION</b>	
Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	28.2
Secretary of state .....	\$ 124,900
Unclassified positions—5.0 FTE positions.....	464,200
Operations—28.2 FTE positions .....	2,093,300
GROSS APPROPRIATION .....	\$ 2,682,400
Appropriated from:	
Special revenue funds:	
Auto repair facilities fees.....	50,700
Driver fees .....	98,300
Expedient service fees .....	43,400
Look-up fees.....	558,400
Parking ticket court fines .....	6,900
Personal identification card fees .....	10,200
Reinstatement fees - operator licenses .....	110,000
Transportation administration collection fund.....	1,185,600
Vehicle theft prevention fees.....	29,800
State general fund/general purpose .....	\$ 589,100
<b>(3) DEPARTMENT SERVICES</b>	
Full-time equated classified positions .....	151.0
Operations—144.5 FTE positions .....	\$ 18,989,500
Assigned claims assessments—6.5 FTE positions.....	644,200
GROSS APPROPRIATION .....	\$ 19,633,700
Appropriated from:	
Federal revenues:	
Federal funds .....	50,300
Special revenue funds:	
Assigned claims assessments .....	644,200

	For Fiscal Year Ending Sept. 30, 2004
Auto repair facilities fees.....	\$ 375,100
Child support clearance fees .....	31,000
Driver fees .....	506,200
Expedient service fees .....	224,300
Look-up fees.....	6,149,000
Marine safety fund.....	67,400
Off-road vehicle title fees .....	6,900
Parking ticket court fines .....	47,500
Personal identification card fees .....	75,000
Reinstatement fees - operator licenses .....	419,000
Scrap tire fund.....	61,900
Snowmobile registration fee revenue .....	15,900
Transportation administration collection fund.....	10,740,100
Vehicle theft prevention fees.....	219,900
State general fund/general purpose .....	\$ 0
<b>(4) REGULATORY SERVICES</b>	
Full-time equated classified positions .....	252.1
Operations—148.4 FTE positions .....	\$ 11,851,000
Auto regulation—101.7 FTE positions.....	7,332,900
Motorcycle safety education grants.....	875,800
Motorcycle safety education administration—2.0 FTE positions .....	324,200
GROSS APPROPRIATION .....	\$ 20,383,900
Appropriated from:	
Federal revenues:	
Federal funds .....	85,900
Special revenue funds:	
Auto repair facilities fees.....	3,892,700
Commercial driver training school fees.....	59,100
Driver fees .....	865,800
Expedient service fees .....	27,900
Look-up fees.....	3,845,300
Motorcycle safety fund .....	1,200,000
Parking ticket court fines .....	7,600
Personal identification card fees .....	39,900
Reinstatement fees - operator licenses .....	1,463,700
Transportation administration collection fund.....	7,567,700
Vehicle theft prevention fees.....	1,324,900
State general fund/general purpose .....	\$ 3,400
<b>(5) CUSTOMER DELIVERY SERVICES</b>	
Full-time equated classified positions .....	1,390.0
Customer services administration—149.7 FTE positions .....	\$ 15,433,300
Branch operations—962.4 FTE positions.....	63,797,300
Central records—261.7 FTE positions .....	15,590,300
Commemorative license plates—16.2 FTE positions .....	2,147,300
Specialty license plates .....	1,922,000
Olympic center plate.....	75,700
Organ donor program.....	104,100
GROSS APPROPRIATION .....	\$ 99,070,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund.....	20,000,000
Federal revenues:	
Federal funds .....	1,183,300
Special revenue funds:	
Private funds .....	100
Auto repair facilities fees.....	79,400

	For Fiscal Year Ending Sept. 30, 2004
Child support clearance fees .....	\$ 340,300
Driver fees .....	11,349,700
Expedient service fees .....	2,500,300
Look-up fees .....	16,881,400
Marine safety fund .....	980,800
Michigan state police auto theft fund .....	100,000
Mobile home commission fees .....	407,100
Olympic center training fund .....	75,700
Off-road vehicle title fees .....	104,900
Parking ticket court fines .....	1,393,100
Personal identification card fees .....	1,312,700
Reinstatement fees - operator licenses .....	1,027,000
Snowmobile registration fee revenue .....	287,300
Transportation administration collection fund .....	36,517,700
Vehicle theft prevention fees .....	180,600
State general fund/general purpose .....	\$ 4,348,600
<b>(6) ELECTION REGULATION</b>	
Full-time equated classified positions .....	28.5
Election administration and services—25.5 FTE positions .....	\$ 2,640,100
Fees to local units .....	69,800
Qualified voter file—3.0 FTE positions .....	1,334,300
GROSS APPROPRIATION .....	\$ 4,044,200
Appropriated from:	
Special revenue funds:	
State general fund/general purpose .....	\$ 4,044,200
<b>(7) DEPARTMENTWIDE APPROPRIATIONS</b>	
Building occupancy charges/rent .....	\$ 10,486,700
Worker's compensation .....	749,000
GROSS APPROPRIATION .....	\$ 11,235,700
Appropriated from:	
Special revenue funds:	
Auto repair facilities fees .....	162,100
Driver fees .....	498,700
Expedient service fees .....	16,400
Look-up fees .....	2,159,400
Parking ticket court fines .....	537,700
Transportation administration collection fund .....	4,895,300
State general fund/general purpose .....	\$ 2,966,100
<b>(8) INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 24,071,600
GROSS APPROPRIATION .....	\$ 24,071,600
Appropriated from:	
Special revenue funds:	
Administrative order processing fee .....	10,500
Auto repair facilities fees .....	170,500
Child support clearance fees .....	15,400
Driver fees .....	629,900
Expedient service fees .....	462,800
Look-up fees .....	2,646,600
Parking ticket court fines .....	78,700
Personal identification card fees .....	826,100
Reinstatement fees - operator licenses .....	442,400
Transportation administration collection fund .....	13,845,900
Vehicle theft prevention fees .....	162,500
State general fund/general purpose .....	\$ 4,780,300

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2004

**Sec. 110. DEPARTMENT OF TREASURY**

**(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions .....	9.0	
Full-time equated classified positions .....	1,526.0	
<b>GROSS APPROPRIATION</b> .....		\$ 1,853,369,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		\$ 12,417,600
<b>ADJUSTED GROSS APPROPRIATION</b> .....		\$ 1,840,951,700
Federal revenues:		
Total federal revenues .....		44,196,100
Special revenue funds:		
Total local revenues .....		910,800
Total private revenues .....		0
Total other state restricted revenues .....		1,665,139,700
State general fund/general purpose .....		\$ 130,705,100

**(2) EXECUTIVE DIRECTION**

Full-time equated unclassified positions .....	9.0	
Full-time equated classified positions .....	4.0	
Unclassified positions—9.0 FTE positions.....		\$ 800,900
Office of the director—4.0 FTE positions.....		543,400
<b>GROSS APPROPRIATION</b> .....		\$ 1,344,300
Appropriated from:		
Special revenue funds:		
State lottery fund .....		139,500
State services fee fund .....		150,800
State general fund/general purpose .....		\$ 1,054,000

**(3) DEPARTMENTWIDE APPROPRIATIONS**

Travel.....		\$ 1,715,900
Rent and building occupancy charges - property management services.....		6,092,300
Worker's compensation insurance premium .....		557,000
<b>GROSS APPROPRIATION</b> .....		\$ 8,365,200
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDOT, state aeronautics fund .....		2,500
IDG, state agency collection fees.....		16,900
Special revenue funds:		
Delinquent tax collection revenue .....		3,828,600
Municipal finance fees .....		10,600
Treasury fees.....		17,800
Waterways fund .....		2,200
State general fund/general purpose .....		\$ 4,486,600

**(4) LOCAL GOVERNMENT PROGRAMS**

Full-time equated classified positions .....	70.0	
Supervision of the general property tax law—51.0 FTE positions .....		\$ 8,228,000
Property tax assessor training—4.0 FTE positions.....		360,600
Local finance—15.0 FTE positions.....		1,541,800
State compliance audits.....		60,000
Pari-mutuel audits .....		240,000
<b>GROSS APPROPRIATION</b> .....		\$ 10,430,400
Appropriated from:		
Special revenue funds:		
Local - assessor training fees .....		360,600
Local - audit charges.....		457,200
Local - equalization study charge-backs .....		40,000
Local - revenue from local government.....		50,000
Land reutilization fund.....		3,985,700

	For Fiscal Year Ending Sept. 30, 2004
Municipal finance fees .....	\$ 236,500
State services fee fund .....	240,000
State general fund/general purpose .....	\$ 5,060,400
<b>(5) TAX PROGRAMS</b>	
Full-time equated classified positions .....	663.0
Customer contact—180.0 FTE positions .....	\$ 13,770,100
Tax compliance—290.0 FTE positions .....	21,879,600
Tax policy—35.0 FTE positions .....	3,234,900
Tax processing—154.0 FTE positions .....	10,332,200
Home heating assistance .....	1,600,000
Bottle bill implementation .....	250,000
New hire reporting .....	1,545,000
Tobacco tax collection—4.0 FTE positions .....	210,600
<b>GROSS APPROPRIATION</b> .....	<b>\$ 52,822,400</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund .....	6,364,000
IDG from MDOT, state aeronautics fund .....	43,100
IDG from FIA .....	1,545,000
IDG from MDCH .....	210,600
IDG, data/collection services fees .....	250,900
Federal revenues:	
HHS-SSA, low-income energy assistance .....	1,600,000
Special revenue funds:	
Bottle deposit fund .....	250,000
Delinquent tax collection revenue .....	38,132,400
Tobacco tax revenue .....	328,500
Waterways fund .....	56,200
State general fund/general purpose .....	\$ 4,041,700
<b>(6) BANKING AND MANAGEMENT SERVICES</b>	
Full-time equated classified positions .....	295.0
Human resources, program management, purchasing—32.0 FTE positions .....	\$ 2,826,400
Internal audit—5.5 FTE positions .....	406,900
Mail operations—20.0 FTE positions .....	1,496,800
Office of revenue and tax analysis—15.5 FTE positions .....	1,111,700
Unclaimed property—19.0 FTE positions .....	2,972,500
Collections—131.0 FTE positions .....	11,787,200
Finance and accounting—32.0 FTE positions .....	1,235,000
Receipts processing—40.0 FTE positions .....	2,324,600
<b>GROSS APPROPRIATION</b> .....	<b>\$ 24,161,100</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, state aeronautics fund .....	16,900
IDG, receipt, warrant and cash processing fees .....	722,300
IDG, levy/warrant cost assessment fees .....	1,810,800
IDG, state agency collection fees .....	450,100
IDG from FIA, title IV-D .....	501,100
Special revenue funds:	
Delinquent tax collection revenue .....	10,089,100
Escheats revenue .....	2,972,500
Garnishment fees .....	419,800
Treasury fees .....	162,100
Waterways fund .....	18,100
State general fund/general purpose .....	\$ 6,998,300

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2004

**(7) FINANCIAL PROGRAMS**

Full-time equated classified positions .....	226.0	
Retirement investments—72.0 FTE positions.....		\$ 11,671,700
Michigan merit award board/MEAP administration—24.0 FTE positions.....		3,249,000
MEAP testing contracts .....		25,578,300
Michigan education savings program.....		1,000,000
Common cash investments and debt management—11.5 FTE positions.....		1,018,600
Student financial assistance programs—118.5 FTE positions.....		33,323,400
GROSS APPROPRIATION .....		\$ 75,841,000

Appropriated from:

Interdepartmental grant revenues:

IDG, fiscal agent service fees .....		147,400
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Federal revenues:

DED-OPSE, federal lenders allowance .....		9,509,700
DED-OPSE, grants for federal assessments .....		10,698,800
DED-OPSE, higher education act of 1965, insured loans.....		21,887,600

Special revenue funds:

College work-study .....		46,300
Michigan merit award trust fund.....		19,497,600
Retirement funds.....		11,671,700
School bond fees.....		401,600
Treasury fees.....		230,900
State general fund/general purpose .....	\$	1,749,400

**(8) DEBT SERVICE**

Water pollution control bond and interest redemption.....	\$	2,750,400
Quality of life bond .....		37,500,000
Clean Michigan initiative.....		33,036,000
GROSS APPROPRIATION .....	\$	73,286,400

Appropriated from:

Special revenue funds:

Recreation bond resources .....		878,000
State general fund/general purpose .....	\$	72,408,400

**(9) GRANTS**

Grants to counties in lieu of taxes.....	\$	10,000
Convention facility development distribution.....		48,000,000
Senior citizen cooperative housing tax exemption program.....		15,500,000
Commercial mobile radio service payments.....		26,500,000
Health and safety fund grants .....		23,500,000
City of Benton Harbor - enterprise zone .....		42,700
Qualified agricultural loan payments .....		5,200,000
Renaissance zone reimbursement.....		1,640,000
Grants to local government for activity under MCL 211.22a .....		7,000,000
GROSS APPROPRIATION .....	\$	127,392,700

Appropriated from:

Special revenue funds:

Commercial mobile radio service fees .....		26,500,000
Convention facility development fund.....		48,000,000
Health and safety fund .....		23,500,000
State general fund/general purpose .....	\$	29,392,700

**(10) STATE LOTTERY**

Full-time equated classified positions .....	166.0	
Lottery operations—166.0 FTE positions.....		\$ 16,512,500
Promotion and advertising .....		18,622,000
Lottery information technology services and projects.....		3,363,100
GROSS APPROPRIATION .....		\$ 38,497,600



For Fiscal Year  
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2004

Appropriated from:	
Special revenue funds:	
State lottery fund .....	\$ 38,497,600
State general fund/general purpose .....	\$ 0
<b>(11) CASINO GAMING</b>	
Full-time equated classified positions .....102.0	
Michigan gaming control board .....	\$ 50,000
Casino gaming control administration— 102.0 FTE positions .....	16,516,600
Information technology services and projects .....	762,600
GROSS APPROPRIATION .....	\$ 17,329,200
Appropriated from:	
Special revenue funds:	
Casino gambling agreements.....	383,500
State services fee fund .....	16,945,700
State general fund/general purpose .....	\$ 0
<b>(12) REVENUE SHARING</b>	
Constitutional state general revenue sharing grants.....	\$ 683,050,000
Statutory state general revenue sharing grants .....	724,800,000
GROSS APPROPRIATION .....	\$ 1,407,850,000
Appropriated from:	
Special revenue funds:	
Sales tax .....	1,407,850,000
State general fund/general purpose .....	\$ 0
<b>(13) INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 16,049,000
GROSS APPROPRIATION .....	\$ 16,049,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund.....	336,000
Federal revenues:	
DED-OPSE, higher education act of 1965, insured loans.....	500,000
Special revenue funds:	
Local - assessor training fees .....	3,000
Delinquent tax collection revenue .....	8,667,400
Land reutilization fund.....	20,000
Michigan merit award trust fund .....	393,000
Retirement funds.....	616,000
State general fund/general purpose .....	\$ 5,513,600

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2003-2004 is \$2,222,641,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2003-2004 is \$1,517,367,300.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

<b>DEPARTMENT OF STATE</b>	
Fees to local units .....	\$ 69,800
Motorcycle safety education grants .....	\$ 875,800
Subtotal.....	\$ 945,600
<b>DEPARTMENT OF TREASURY</b>	
Senior citizen cooperative housing tax exemption.....	\$ 15,500,000
Grants to counties in lieu of taxes.....	10,000
Health and safety fund grants .....	23,500,000
City of Benton Harbor enterprise zone.....	42,700
Constitutional state general revenue sharing grants.....	683,050,000
Statutory state general revenue sharing grants .....	724,800,000
Convention facility development fund distribution.....	48,000,000
Commercial mobile radio service payments.....	12,879,000

Grants to local government for activity under MCL 211.22a .....	7,000,000
Renaissance zone reimbursements.....	1,640,000
Subtotal.....	\$ 1,516,421,700
TOTAL GENERAL GOVERNMENT.....	\$ 1,517,367,300

(2) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 2003-2004 is estimated at \$25,466,171,400.00 in the 2003-2004 appropriations acts and total state spending from state sources paid to local units of government for fiscal year 2003-2004 is estimated at \$16,096,726,058.00. The state-local proportion is estimated at 63.21% of total state spending from state resources.

(3) If payments to local units of government and state spending from state sources for fiscal year 2003-2004 are different than the amounts estimated in subsection (2), the state budget director shall report the payments to local units of government and state spending from state sources that were made for fiscal year 2003-2004 to the senate and house of representatives standing committees on appropriations within 30 days after the final bookclosing for fiscal year 2003-2004.

Sec. 202. The appropriations authorized under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this act:

- (a) "AFSCME" means American federation of state, county, and municipal employees.
- (b) "COBRA" means the consolidated omnibus budget reconciliation act of 1985, Public Law 99-272, 100 Stat. 82.
- (c) "CPI" means consumer price index.
- (d) "DAG" means the United States department of agriculture.
- (e) "DED-OESE" means the United States department of education, office of elementary and secondary education.
- (f) "DED-OPSE" means the United States department of education, office of postsecondary education.
- (g) "DOL-ETA" means the United States department of labor, employment and training administration.
- (h) "DOL-OSHA" means the United States department of labor, occupational safety and health administration.
- (i) "EEOC" means the United States equal employment opportunity commission.
- (j) "EPA" means the United States environmental protection agency.
- (k) "FIA" means the Michigan family independence agency.
- (l) "FTE" means full-time equated.
- (m) "GF/GP" means general fund/general purpose.
- (n) "HHS" means the United States department of health and human services.
- (o) "HHS-OS" means the HHS office of the secretary.
- (p) "HHS-SSA" means the HHS social security administration.
- (q) "HUD" means the United States department of housing and urban development.
- (r) "IDG" means interdepartmental grant.
- (s) "MAIN" means the Michigan administrative information network.
- (t) "MCL" means the Michigan Compiled Laws.
- (u) "MDA" means the Michigan department of agriculture.
- (v) "MDCH" means the Michigan department of community health.
- (w) "MDCIS" means the Michigan department of consumer and industry services.
- (x) "MDCS" means the Michigan department of civil service.
- (y) "MDMB" means the Michigan department of management and budget.
- (z) "MDOT" means the Michigan department of transportation.
- (aa) "MDSP" means the Michigan department of state police.
- (bb) "MEAP" means the Michigan educational assessment program.
- (cc) "MESA" means the Michigan employment security agency.
- (dd) "MPES" means the Michigan professional employees society.
- (ee) "PA" means public act.
- (ff) "PACC" means the prosecuting attorneys coordinating council.
- (gg) "UAW" means the united auto workers.

Sec. 204. The department of civil service shall bill departments and agencies at the end of the first fiscal quarter for the 1% charge authorized by section 5 of article XI of the state constitution of 1963. Payments shall be made for the total amount of the billing by the end of the second fiscal quarter.

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

(2) The attorney general and secretary of state may grant exceptions to the hiring freeze for their respective departments pursuant to the same criteria that the state budget director is able to grant exceptions under this subsection. The state budget director shall grant exceptions to this hiring freeze when the state budget director believes that the

hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause loss of revenue to the state, result in the inability of the state to receive federal funds, or necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Sec. 207. At least 60 days before beginning any effort to privatize, the departments and agencies receiving appropriations in part 1 shall submit a complete project plan to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies within 30 months.

Sec. 208. Unless otherwise specified, departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.

Sec. 210. The director of each department receiving appropriations in part 1 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 211. Pursuant to section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, that provides for a transfer of state general funds into the countercyclical budget and economic stabilization fund, there is appropriated into the countercyclical budget and economic stabilization fund the sum of \$0.00. The calculation required by section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, is determined as follows:

	2002	2003
Michigan personal income (millions).....	\$304,491	\$313,930
less: transfer payments.....	47,031	48,865
Subtotal .....	257,460	265,065
Divided by: Detroit CPI for 12 months .....		
Ending June 30 (1982=1.00) .....	1.729	1.781
Equals: real adjusted Michigan personal income .....	\$148,907	\$148,840
Percentage change .....		0.0%
Percentage change in excess of 2% .....		0.0%
Multiplied by: estimated GF/GP revenue in FY 2002-2003 (millions)..		8,083.8
Equals: countercyclical budget and economic stabilization fund calculation for the fiscal year ending September 30, 2004 .....		\$0.00

Sec. 212. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed.

Sec. 213. Funds appropriated in part 1 shall not be used by this state, a department, an agency, or an authority of this state to purchase an ownership interest in a casino enterprise or a gambling operation as those terms are defined in the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.201 to 432.226.

Sec. 214. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

Sec. 215. A department or state agency shall not take disciplinary action against an employee for communicating with a member of the legislature or their staff.

Sec. 216. None of the funds appropriated in part 1 of this act shall be used to fund the cost of a 2004 presidential primary.

**DEPARTMENT OF ATTORNEY GENERAL**

Sec. 301. (1) The attorney general shall perform all legal services, including representation before courts and administrative agencies rendering legal opinions and providing legal advice to a principal executive department or state agency. A principal executive department or state agency shall not employ or enter into a contract with any other person for services described in this section.

(2) The attorney general shall defend judges of all state courts if a claim is made or a civil action is commenced for injuries to persons or property caused by the judge through the performance of the judge’s duties while acting within the scope of his or her authority as a judge.

(3) The attorney general shall perform the duties specified in 1846 RS 12, MCL 14.28 to 14.35, and 1919 PA 232, MCL 14.101 to 14.102, and as otherwise provided by law.

Sec. 302. The attorney general may sell copies of the biennial report in excess of the 350 copies that the attorney general may distribute on a gratis basis. Gratis copies shall not be provided to members of the legislature. Electronic copies of biennial reports shall be made available on the department of attorney general's website. The attorney general shall sell copies of the report at not less than the actual cost of the report and shall deposit the money received into the general fund.

Sec. 303. The department of attorney general is responsible for the legal representation for state of Michigan state employee worker's disability compensation cases. The risk management revolving fund revenue appropriation in part 1 is to be satisfied by billings from the department of attorney general for the actual costs of legal representation, including salaries and support costs.

Sec. 304. In addition to the funds appropriated in part 1, not more than \$400,000.00 shall be reimbursed per fiscal year for food stamp fraud cases heard by the third circuit court of Wayne County that were initiated by the department of attorney general pursuant to the existing contract between the family independence agency, the prosecuting attorneys association of Michigan, and the department of attorney general. The source of this funding is money earned by the department of attorney general under the agreement after the allowance for reimbursement to the department of attorney general for costs associated with the prosecution of food stamp fraud cases. It is recognized that the federal funds are earned by the department of attorney general for its documented progress on the prosecution of food stamp fraud cases according to the United States department of agriculture regulations and that once earned by this state, the funds become state funds.

Sec. 305. Any proceeds from a lawsuit initiated by or settlement agreement entered into on behalf of this state against a manufacturer of tobacco products by the attorney general are state funds and are subject to appropriation as provided by law.

Sec. 306. Any unobligated antitrust enforcement revenue, not to exceed \$250,000.00, may be carried forward and is available for appropriation in the succeeding fiscal year.

Sec. 307. (1) In addition to the funds appropriated in part 1, there is appropriated up to \$500,000.00 from litigation expense reimbursements awarded to the state.

(2) The funds may be expended for the payment of attorney fees assessed against the governor or the attorney general when acting in an official capacity as the named party in litigation against the state. The funds may also be expended for the payment of state costs incurred under section 16 of chapter X of the code of criminal procedure, 1927 PA 175, MCL 770.16.

(3) Unexpended funds at the end of the fiscal year are carried forward for expenditure in the following year, up to a maximum authorization of \$500,000.00.

Sec. 308. From the prisoner reimbursement funds appropriated in part 1, the department may spend up to \$301,700.00 on activities related to the state correctional facilities reimbursement act, 1935 PA 253, MCL 800.401 to 800.406. If the department collects in excess of \$1,131,000.00 in prisoner reimbursements, the excess, up to a maximum of \$800,000.00, may be spent on defense of litigation against the state, its departments, or employees in civil actions filed by prisoners.

Sec. 309. (1) For the purposes of providing title IV-D child support enforcement funding, the family independence agency, as the state IV-D agency, shall within 30 days after this act is enacted enter into a cooperative agreement with the attorney general for federal IV-D funding to support the child support enforcement activities within the office of the attorney general.

(2) The attorney general or his or her designee shall, to the extent allowable under federal law, have access to any information used by the state to locate parents who fail to pay court ordered child support.

#### **DEPARTMENT OF CIVIL RIGHTS**

Sec. 401. (1) In addition to the appropriations contained in part 1, the department of civil rights may receive and expend funds from local or private sources for all of the following purposes:

(a) Developing and presenting training for employers on equal employment opportunity law and procedures.

(b) The publication and sale of civil rights related informational material.

(c) The provision of copy material made available under freedom of information requests.

(d) Other copy fees, subpoena fees, and witness fees.

(e) Developing, presenting, and participating in mediation processes for certain civil rights cases.

(f) Workshops, seminars, and recognition or award programs consistent with the programmatic mission of the individual unit sponsoring or coordinating the programs.

(2) The department of civil rights shall annually report to the state budget director, the senate and house of representatives standing committees on appropriations, and the senate and house fiscal agencies the amount of funds received and expended for purposes authorized under this section.

Sec. 402. The department of civil rights may contract with local units of government to review equal employment opportunity compliance of potential contractors and may charge for and expend amounts received from local units of government for the purpose of developing and providing these contractual services.

**DEPARTMENT OF CIVIL SERVICE**

Sec. 501. (1) All restricted funds shall be assessed a sum not less than 1% of the total aggregate payroll paid from those funds for financing the department of civil service on the basis of actual 1% restricted sources total aggregate payroll of the classified service for fiscal year 2003 in accordance with section 5 of article XI of the state constitution of 1963. This includes, but is not limited to, restricted funds appropriated in part 1 of any appropriations bill. Unexpended 1% appropriated funds shall be returned to each 1% fund source at the end of the fiscal year.

(2) The 1% financing from restricted sources shall be credited to the department of civil service by the end of the second fiscal quarter.

Sec. 502. Except where specifically appropriated for this purpose, 1% of the financing from restricted sources shall be credited to the department of civil service. For restricted sources of funding within the general fund that have the legislative authority for carryover, if current spending authorization or revenues are insufficient to accept the charge, the shortage shall be taken from carryforward balances of that funding source. Restricted revenue sources that do not have carryforward authority shall be utilized to satisfy departmental operating deducts first and civil service obligations second. General fund dollars are appropriated for any shortfall, pursuant to approval by the state budget director.

Sec. 503. The appropriation in part 1 to the department of civil service, for state-sponsored group insurance, flexible spending accounts, and COBRA, represents amounts, in part, included within the various appropriations throughout state government for the current fiscal year to fund the flexible spending account program included within the department of civil service. Deposits against state-sponsored group insurance, flexible spending accounts, and COBRA for the flexible spending account program shall be made from assessments levied during the current fiscal year in a manner prescribed by the department of civil service. Unspent employee contributions to the flexible spending accounts may be used to offset administrative costs for the flexible spending account program, with any remaining balance of unspent employee contributions to be lapsed to the general fund.

Sec. 504. (1) The department shall compile the following information about human resources for all executive branch departments:

(a) An organizational chart for each department that clearly identifies each department's human resources office and its relationship to other department offices.

(b) A detailed job description for each person employed in each department's human resources office.

(c) The total number of personnel employed in each department's human resources office.

(d) The amount of funding allocated to each department's human resources operations.

(2) The department shall submit a report containing this information for the previous fiscal year to the senate and house of representatives standing committees on appropriations subcommittees on general government by November 30, 2003. The report shall include recommendations for consolidating executive branch human resources functions into 1 department, and an estimate of cost savings, if any, that would be realized from combining these operations.

**INFORMATION TECHNOLOGY**

Sec. 571. The appropriation in part 1 for the department of information technology shall be funded by user fees assessed against other principal executive departments and agencies. Such user fees shall be based upon services provided by the department of information technology.

Sec. 572. (1) The department of information technology may sell and accept paid advertising for placement on any state website under its jurisdiction. The department shall review and approve the content of each advertisement. The department may refuse to accept advertising from any person or organization or require modification to advertisements based upon criteria determined by the department. Revenue received under this subsection will be used for operating costs of the department and for future technology enhancements to state of Michigan e-government initiatives. Funds received under this subsection shall be limited to \$250,000.00. Any funds in excess of \$250,000.00 shall be deposited in the state general fund.

(2) The department of information technology may accept gifts, donations, contributions, bequests, and grants of money from any public or private source to assist with the underwriting or sponsorship of state web pages or services offered on those web pages. A private or public funding source may receive recognition in the web page. The department of information technology may reject any gift, donation, contribution, bequest, or grant.

(3) Funds accepted by the department of information technology under subsections (1) and (2) are appropriated and allotted when received and may be expended upon receipt.

(4) Except as excluded under subsection (1), any unexpended revenue received under this section shall not lapse to the general fund and shall be available for future appropriations.

(5) The department of information technology shall develop a search function of all state departments and agencies. This search function shall be easily accessible to visitors on the front page of the state's website.

(6) The privacy policy adopted by the department of information technology shall include the following provisions:

(a) Instruction on how visitors can set their browsers to be warned before each cookie is written to a visitor's computer.

(b) The e-Michigan office will also include instructions for visitors to inform them how to view and remove cookies on their personal computers.

(7) By April 1, the department of information technology shall report to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies that all of the following information is available on the department's website:

(a) The amount of gifts, donations, contributions, bequests, and grants of money received by the department of information technology under this section for the immediately preceding fiscal year.

(b) A listing of the expenditures made from the amounts received by the department of information technology as reported in subdivision (a).

(c) A listing of any gift, donation, contribution, bequest, or grant of property other than funding received by the department of information technology under this section for the immediately preceding year.

(d) The total revenue received from the sale of paid advertising accepted under this section and a statement of the total number of advertising transactions.

Sec. 573. The department of information technology may enter into agreements to supply spatial information and technical services to other principal executive departments, state agencies, local units of government, and other organizations. The department of information technology may receive and expend funds in addition to those authorized in part 1 for providing information and technical services, publications, maps, and other products. The department of information technology may expend amounts received for salaries, supplies, and equipment necessary to provide informational products and technical services.

Sec. 574. The legislature shall have access to all historical and current data contained within MAIN pertaining to state departments. State departments shall have access to all historical and current data contained within MAIN.

Sec. 576. When used in this act, "information technology services" means services involving all aspects of managing and processing information including, but not limited to, all of the following:

(a) Application development and maintenance.

(b) Desktop computer support and management.

(c) Mainframe computer support and management.

(d) Server support and management.

(e) Local area network support and management.

(f) Information technology contract, project, and procurement management.

(g) Information technology planning and budget management.

(h) Telecommunication services, security, infrastructure, and support.

(i) Software and software licensing.

Sec. 577. (1) Funds appropriated in part 1 for the Michigan public safety communications system shall be expended upon approval of an expenditure plan by the state budget director.

(2) The department of information technology shall assess all subscribers of the Michigan public safety communications system reasonable access and maintenance fees.

(3) All money received by the department of information technology under this section shall be deposited to the state general fund pursuant to section 443 of the management and budget act, 1984 PA 431, MCL 18.1443.

(4) The department of information technology shall provide a report to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director on April 15 and on October 15, indicating the amount of revenue collected under this section and deposited to the state general fund for the immediately preceding 6-month period.

Sec. 578. The department of information technology shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1. The report shall include the following:

(a) The total amount of funding appropriated for information technology services and projects, by funding source, for all principal executive departments and agencies.

(b) A listing of the expenditures made from the amounts received by the department of information technology, as reported in subdivision (a).

Sec. 579. The department of information technology shall provide a report that analyzes and makes recommendations on the life-cycle of information technology hardware and software. The report shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1.

Sec. 580. (1) From the funds appropriated in part 1 to general services, for the department of state, there is appropriated \$4,550,000.00 for the business application modernization project. Funds shall only be used for the development, implementation, and maintenance of the business application modernization project.

(2) The unexpended funds appropriated in part 1 for the business application modernization project are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered or unallotted funds are carried over into the succeeding fiscal year and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$30,000,000.00, and the tentative completion date is September 30, 2008.

**LEGISLATURE**

Sec. 600. The senate, the house of representatives, or an agency within the legislative branch may receive, expend, and transfer funds in addition to those authorized in part 1.

Sec. 601. (1) Funds appropriated in part 1 to an entity within the legislative branch shall not be expended or transferred to another account without written approval of the authorized agent of the legislative entity. If the authorized agent of the legislative entity notifies the state budget director of its approval of an expenditure or transfer before the year-end book-closing date for that legislative entity, the state budget director shall immediately make the expenditure or transfer. The authorized legislative entity agency shall be designated by the speaker of the house of representatives for house entities, the senate majority leader for senate entities, and the legislative council for legislative council entities.

(2) Funds appropriated within the legislative branch, to a legislative council component, shall not be expended by any agency or other subgroup included in that component without the approval of the legislative council.

Sec. 602. The senate may charge rent and assess charges for utility costs. The amounts received for rent charges and utility assessments are appropriated to the senate for the renovation, operation, and maintenance of the Farnum building and other properties.

Sec. 603. The appropriation contained in part 1 for national association dues is to be distributed by the legislative council.

Sec. 604. (1) The appropriation in part 1 to the legislative council includes funds to operate the legislative parking facilities in the capitol area. The legislative council shall establish rules regarding the operation of the legislative parking facilities.

(2) The legislative council shall collect a fee from state employees and the general public using certain legislative parking facilities. The revenues received from the parking fees shall be allocated by the legislative council.

Sec. 605. The appropriation in part 1 to the legislative council for publication of the Michigan manual is considered a work project account. The unexpended portion remaining on September 30 shall not lapse and shall be carried forward into the subsequent fiscal year for use in paying the associated biennial costs of publication of the Michigan manual.

Sec. 606. The appropriation in part 1 to the legislative branch, for property management, is considered a work project account. The unexpended portion remaining on September 30 shall not lapse and shall be carried forward into the subsequent fiscal year for the use for which it was intended.

Sec. 607. In addition to funds appropriated in part 1, the Michigan capitol committee publications save the flags fund account may accept contributions, gifts, bequests, devises, grants, and donations. Those funds that are not expended in the fiscal year ending September 30 shall not lapse at the close of the fiscal year and shall be carried forward for expenditure in the following fiscal years.

Sec. 608. Funds appropriated in part 1 for e-Law, the legislative council's technology enhancement project, shall be used to support technology improvements for legislative functions performed by the legislative council agencies and to provide greater access to the public regarding legislative information. These funds, along with funds previously appropriated for the legislative session integration system, are designated as a work project and shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$3,992,750.00, and the tentative completion date is September 30, 2005.

Sec. 609. The funds appropriated in part 1 shall not be used to pay for health insurance benefits for unmarried domestic partners of legislators or legislative employees.

Sec. 611. Pursuant to section 53 of article IV of the state constitution of 1963, the auditor general shall conduct audits of the judicial branch. The audits may include the supreme court and its administrative units, the court of appeals, and trial courts.

Sec. 612. (1) The auditor general shall take all reasonable steps to ensure that certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities participate in the audits of the books, accounts, and financial affairs of each principal executive department, branch, institution, agency, and office of this state.

(2) The auditor general shall strongly encourage firms with which the auditor general contracts to perform audits of the principal executive departments and state agencies to subcontract with certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities.

(3) The auditor general shall compile an annual report regarding the number of contracts entered into with certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities. The auditor general shall deliver the report to the state budget director and the senate and house of representatives standing committees on appropriations subcommittees on general government by November 1 of each year.

Sec. 615. From the funds appropriated in part 1 to the legislative auditor general, the legislative auditor general's salary and the salaries of the remaining 2.0 FTE unclassified positions shall be set by the speaker of the house of representatives, the senate majority leader, the house of representatives minority leader, and the senate minority leader.

Sec. 618. Any audits, reviews, or investigations requested of the auditor general by the legislature or by legislative leadership, legislative committees, or individual legislators should include an estimate of the additional costs involved and, when those costs exceed \$50,000.00, should provide supplemental funding. The auditor general will determine whether to perform those activities in keeping with Audit Directive No. 29, which describes the office of auditor general policy on responding to legislative requests.

#### **DEPARTMENT OF MANAGEMENT AND BUDGET**

Sec. 701. Proceeds in excess of necessary costs incurred in the conduct of transfers or auctions of state surplus, salvage, or scrap property made pursuant to section 267 of the management and budget act, 1984 PA 431, MCL 18.1267, are appropriated to the department of management and budget to offset costs incurred in the acquisition and distribution of federal surplus property.

Sec. 702. The department of management and budget may receive and expend funds in addition to those authorized in part 1 for conducting training and orientation workshops and seminars that are consistent with the programmatic mission of the individual unit sponsoring or coordinating the program.

Sec. 703. (1) The department of management and budget may receive and expend funds in addition to those authorized by part 1 for maintenance and operation services provided specifically to other principal executive departments or state agencies, the legislative branch, or the judicial branch or provided in connection with facilities transferred to the operational jurisdiction of the department of management and budget.

(2) The department of management and budget may receive and expend funds in addition to those authorized by part 1 for real estate, architectural, design, and engineering services provided specifically to other principal executive departments or state agencies, the legislative branch, or the judicial branch.

(3) The department of management and budget may receive and expend funds in addition to those authorized in part 1 for mail pickup and delivery services provided specifically to other principal executive departments and state agencies, the legislative branch, or the judicial branch.

(4) The department of management and budget may receive and expend funds in addition to those authorized in part 1 for purchasing services provided specifically to other principal executive departments and state agencies, the legislative branch, or the judicial branch.

Sec. 705. (1) The appropriation in part 1 to the department of management and budget, for statewide appropriations from employer contributions, represents amounts included within the various appropriations for longevity and insurance, whether appropriated as a single line item or commingled with program line items, throughout state government for the current fiscal year for purposes of funding the child care information and referral services, severance pay funds, and professional development funds included within statewide appropriations. Deposits against the interdepartmental grant from employer contributions shall be made from assessments levied against the longevity and insurance appropriations during the current fiscal year in a manner prescribed by the department of management and budget. Any deposits made under this subsection and any unencumbered funds are restricted revenues, may be carried over into the succeeding fiscal years, and are appropriated.

(2) From the funds appropriated in part 1 to the department of management and budget for professional development funds and child care information and referral services, the department of management and budget may expend funds for staff support associated with administration of the professional development funds and child care information and referral services in amounts as may be specified in joint labor/management agreements or through the coordinated compensation hearings process.

(3) In addition to the funds appropriated in part 1 for severance pay funds, the department of management and budget may receive and expend funds from other state agencies for staff support associated with the administration of these funds.

(4) In addition to the funds appropriated in part 1 to the department of management and budget, for statewide appropriations from employer contributions, the department of management and budget may receive and expend funds in such additional amounts as may be specified in joint labor/management agreements or through the coordinated compensation hearings process in the same manner and subject to the same conditions as prescribed in subsections (1), (2), and (3).

Sec. 706. To the extent a specific appropriation is required for a detail source of financing included in part 1 for the department of management and budget appropriations financed from special revenue and internal service and pension trust funds, or MAIN user charges, the specific amounts are appropriated within the special revenue internal service and pension trust funds in portions not to exceed the aggregate amount appropriated in part 1.

Sec. 708. In addition to the funds appropriated in part 1 to the department of management and budget, the department may receive and expend funds from other principal executive departments and state agencies to implement donated annual leave and administrative leave bank transfer provisions as may be specified in joint labor/management agreements. The amounts may also be transferred to other principal executive departments and state agencies under the joint agreement and any amounts transferred under the joint agreement are authorized for receipt and expenditure by the receiving principal executive department or state agency. Any amounts received by the department of management and budget under this section and intended, under the joint labor/management agreements, to be available for use beyond the close of the fiscal year and any unencumbered funds may be carried over into the succeeding fiscal year.



Sec. 709. The source of financing in part 1 for the Michigan administrative information network shall be funded by proportionate charges assessed against the respective state funds benefiting from this project in the amounts determined by the department.

Sec. 710. (1) Deposits against the interdepartmental grant from building occupancy and parking charges appropriated in part 1 shall be collected, in part, from state agencies, the legislative branch, and the judicial branch based on estimated costs associated with maintenance and operation of buildings managed by the department of management and budget. To the extent excess revenues are collected due to estimates of building occupancy charges exceeding actual costs, the excess revenues may be carried forward into succeeding fiscal years for the purpose of returning funds to state agencies.

(2) Appropriations in part 1 to the department of management and budget, for management and budget services from building occupancy charges and parking charges, may be increased to return excess revenue collected to state agencies.

Sec. 713. The department of management and budget shall notify the chairpersons of the senate and house of representatives standing committees on appropriations and the chairpersons of the senate and house of representatives standing committees on appropriations subcommittees on general government on any revisions exceeding \$500,000.00 to current contracts for computer software development, hardware acquisition, or quality assurance at least 14 days before the department of management and budget finalizes the revisions.

Sec. 715. The department of management and budget shall maintain an Internet website that contains notice of all invitations for bids and requests for proposals over \$50,000.00 issued by the department or by any state agency operating under delegated authority. The department shall not accept an invitation for bid or request for proposal in less than 14 days after the notice is made available on the Internet website, except in situations where it would be in the best interest of the state and documented by the department. In addition to the requirements of this section, the department may advertise the invitations for bids and requests for proposals in any manner the department determines appropriate, in order to give the greatest number of individuals and businesses the opportunity to make bids or requests for proposals.

Sec. 716. The department of management and budget may receive and expend funds from the Vietnam veterans memorial monument fund as provided in the Michigan Vietnam veterans memorial act, 1988 PA 234, MCL 35.1051 to 35.1057. Funds are appropriated and allocated when received and may be expended upon receipt.

Sec. 717. The Michigan veterans' memorial park commission may receive and expend money from any source, public or private, including, but not limited to, gifts, grants, donations of money, and government appropriations, for the purposes described in Executive Order No. 2001-10. Funds are appropriated and allocated when received and may be expended upon receipt. Any deposits made under this section and unencumbered funds are restricted revenues and may be carried over into succeeding fiscal years.

Sec. 718. Funds collected by the department of management and budget under sections 55, 57, 58, and 59 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.255, 24.257, 24.258, and 24.259, and section 203 of the legislative council act, 1986 PA 268, MCL 4.1203, are appropriated for all expenses necessary to provide for the costs of publication and distribution. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 719. (1) Funds in part 1 for motor vehicle fleet are appropriated to the department of management and budget for administration and for the acquisition, lease, operation, maintenance, repair, replacement, and disposal of state motor vehicles.

(2) The appropriation in part 1 for motor vehicle fleet shall be funded by revenue from rates charged to principal executive departments and agencies for utilizing vehicle travel services provided by the department.

(3) It is the intent of the legislature that the department of management and budget have the authority to determine the appropriateness of vehicle assignment, to include year, make, model, size, and price of vehicle. The department shall have the authority to assign motor vehicles, permanently or temporarily, to state agencies and to institutions of higher education.

(4) It is the intent of the legislature that the department of management and budget complete a project plan which results in the reduction of expenditures related to vehicle travel services, to include a reduction in the number of state vehicles in the motor vehicle fleet. The department shall report quarterly to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies on the status of the project plan to reduce vehicle travel service expenditures and the number of cars in the motor vehicle fleet.

#### **DEPARTMENT OF STATE**

Sec. 801. All funds made available by section 3171 of the insurance code of 1956, 1956 PA 218, MCL 500.3171, are appropriated and made available to the department of state to be expended only for the uses and purposes for which the funds are received as provided by sections 3171 to 3177 of the insurance code of 1956, 1956 PA 218, MCL 500.3171 to 500.3177.

Sec. 802. From the funds appropriated in part 1, the department of state shall sell copies of records including, but not limited to, records of motor vehicles, off-road vehicles, snowmobiles, watercraft, mobile homes, personal

identification cardholders, drivers, and boat operators and shall charge \$7.00 per record sold only as authorized in section 208b of the Michigan vehicle code, 1949 PA 300, MCL 257.208b, section 7 of 1972 PA 222, MCL 28.297, and sections 80130, 80315, 81114, and 82156 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80130, 324.80315, 324.81114, and 324.82156. The department shall use the revenue received from the sale of records for necessary expenses as appropriated in part 1. The balance of the fee revenue remaining on September 30 shall revert to the general fund.

Sec. 803. From the funds appropriated in part 1, the secretary of state may enter into agreements with the department of corrections for the manufacture of vehicle registration plates 15 months before the registration year in which the registration plates will be used.

Sec. 804. (1) The department of state may accept gifts, donations, contributions, and grants of money and other property from any private or public source to underwrite, in whole or in part, the cost of a departmental publication that is prepared and disseminated under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. A private or public funding source may receive written recognition in the publication and may furnish a traffic safety message, subject to departmental approval, for inclusion in the publication. The department may reject a gift, donation, contribution, or grant. The department may furnish copies of a publication underwritten, in whole or in part, by a private source to the underwriter at no charge.

(2) The department of state may sell and accept paid advertising for placement in a departmental publication that is prepared and disseminated under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. The department may charge and receive a fee for any advertisement appearing in a departmental publication and shall review and approve the content of each advertisement. The department may refuse to accept advertising from any person or organization. The department may furnish a reasonable number of copies of a publication to an advertiser at no charge.

(3) Pending expenditure, the funds received under this section shall be deposited in the Michigan department of state publications fund created by section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211. Funds given, donated, or contributed to the department from a private source are appropriated and allocated for the purpose for which the revenue is furnished. Funds granted to the department from a public source are allocated and may be expended upon receipt. The department shall not accept a gift, donation, contribution, or grant if receipt is conditioned upon a commitment of state funding at a future date. Revenue received from the sale of advertising is appropriated and may be expended upon receipt.

(4) Any unexpended revenues received under this section shall be carried over into subsequent fiscal years and shall be available for appropriation for the purposes described in this section.

(5) On March 1 of each year, the department of state shall file a report with the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall include all of the following information:

(a) The amount of gifts, contributions, donations, and grants of money received by the department under this section for the prior fiscal year.

(b) A listing of the expenditures made from the amounts received by the department as reported in subdivision (a).

(c) A listing of any gift, donation, contribution, or grant of property other than funding received by the department under this section for the prior year.

(d) The total revenue received from the sale of paid advertising accepted under this section and a statement of the total number of advertising transactions.

(6) In addition to copies delivered without charge as the secretary of state considers necessary, the department of state may sell copies of manuals and other publications regarding the sale, ownership, or operation or regulation of motor vehicles, with amendments, at prices to be established by the secretary of state. As used in this subsection, the term "manuals and other publications" means videos and proprietary electronic publications. All funds received from sales of these manuals and other publications shall be credited to the Michigan department of state publications fund.

Sec. 805. Funds collected by the department of state under section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211, are appropriated for all expenses necessary to provide for the costs of the publication. Funds are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 806. From the funds appropriated in part 1, the department of state shall use available balances at the end of the state fiscal year to provide payment to the department of state police in the amount of \$315,900.00 for the services provided by the traffic accident records program as first appropriated in 1990 PA 196 and 1990 PA 208.

Sec. 807. From the funds appropriated in part 1, the department of state may restrict funds from miscellaneous revenue to cover cash shortages created from normal branch office operations. This amount shall not exceed \$50,000.00 of the total funds available in miscellaneous revenue.

Sec. 808. (1) Commemorative and specialty license plate fee revenue collected by the department of state and deposited into the Michigan transportation fund is authorized for expenditure up to the amount of revenue collected but not to exceed the amount appropriated to the department of state in part 1 to administer commemorative and specialty license plate programs.

(2) Commemorative and specialty license plate fee revenue collected by the department of state and deposited in the Michigan transportation fund in addition to the amount appropriated in part 1 to the department of state shall be available for other Michigan transportation fund-supported programs.

Sec. 809. Funds or revenues in the Olympic education training center fund, after deducting manufacturing and administrative costs, are appropriated for distribution to the Olympic education training center at Northern Michigan University. Distributions shall occur on a quarterly basis. Any undistributed revenue remaining at the end of the fiscal year shall be carried over into the next fiscal year.

Sec. 810. The department of state may produce and sell copies of a training video designed to inform registered automotive repair facilities of their obligations under Michigan law. The price shall not exceed the cost of production and distribution. The money received from the sale of training videos shall revert to the department of state and be placed in the auto repair facility account.

Sec. 811. (1) The department of state, in collaboration with the gift of life transplantation society or its successor federally designated organ procurement organization, may develop and administer a public information campaign concerning the Michigan organ donor program.

(2) The department may solicit funds from any private or public source to underwrite, in whole or in part, the public information campaign authorized by this section. The department may accept gifts, donations, contributions, and grants of money and other property from private and public sources for this purpose. A private or public funding source underwriting the public information campaign, in whole or in substantial part, shall receive sponsorship credit for its financial backing.

(3) Funds received under this section, including grants from state and federal agencies, shall not lapse to the general fund at the end of the fiscal year but shall remain available for expenditure for the purposes described in this section.

Sec. 812. Collector plate and fund-raising registration plate revenues collected by the department of state are appropriated and allotted for distribution to the recipient university or public or private agency overseeing a state-sponsored goal when received. Distributions shall occur on a quarterly basis or as otherwise authorized by law. Any revenues remaining at the end of the fiscal year shall not lapse to the general fund but shall remain available for distribution to the university or agency in the next fiscal year.

Sec. 813. (1) Funding appropriated in part 1 for the organ donor program shall be used for producing a pamphlet to be distributed with driver licenses and personal identification cards regarding organ donations. The funds shall be used to update and print a pamphlet that will explain the organ donor program and encourage people to become donors by marking a checkoff on driver license and personal identification card applications.

(2) The pamphlet shall include a return reply form addressed to the gift of life organization. Funding appropriated in part 1 for the organ donor program shall be used to pay for return postage costs.

Sec. 814. The department shall consult with the senate and house of representatives standing committees on appropriations subcommittees on general government regarding the projected closing or consolidation of any secretary of state branch offices.

Sec. 815. (1) Any service assessment collected by the department of state from the user of a credit or debit card under section 3 of 1995 PA 144, MCL 11.23, is appropriated to the department for necessary expenses related to that service and may be remitted to a credit or debit card company, bank, or other financial institution. Funds are allocated for expenditure when they are received by the department of treasury.

(2) The service assessment imposed by the department of state for credit and debit card services may be based either on a percentage of each individual credit or debit card transaction, or on a flat rate per transaction, or both scaled to the amount of the transaction. However, the department shall not charge any amount for a service assessment which exceeds the costs billable to the department for service assessments.

(3) If there is a balance of service assessments received from credit and debit card services remaining on September 30, the balance may be carried forward to the following fiscal year and appropriated for the same purpose.

(4) As used in this section, "service assessment" means and includes costs associated with service fees imposed by credit and debit card companies and processing fees imposed by banks and other financial institutions.

Sec. 816. In addition to the funds appropriated in part 1, funds collected by the department of state under section 248j of the Michigan vehicle code, 1949 PA 300, MCL 257.248j, may be used to defray expenses of the secretary of state in administering chapter II of the Michigan vehicle code, 1949 PA 300, MCL 257.201 to 257.259. Funds shall be available for expenditure after approval of transfers by both the senate and house of representatives standing committees on appropriations in accord with the provisions of section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 817. (1) Funds in part 1 for motorcycle safety education grants and administration are appropriated to the department of state for operation of the motorcycle safety education program previously operated by the department of education under section 811a of the Michigan vehicle code, 1949 PA 300, MCL 257.811a.

(2) Funds in part 1 for motorcycle safety education grants and administration shall be derived from original and renewal motorcycle license endorsements, annual motorcycle registration fees, and motorcycle operator driving test fees.

(3) Funds in part 1 for motorcycle safety education grants and administration shall be used to provide grants to colleges, universities, intermediate school districts, local school districts, law enforcement agencies, or other governmental agencies located in the state, to help subsidize safety training courses for individuals interested in operating motorcycles.

(4) Funds in part 1 for motorcycle safety education grants and administration may be used by the department of state for administration costs of the motorcycle safety education program, to include, but not be limited to, review and approval or disapproval of grant applications, monitoring eligibility of motorcycle safety instructors, conducting program evaluation, certifying third party testers, and inspecting training sites.

#### **DEPARTMENT OF TREASURY** **OPERATIONS**

Sec. 901. (1) Amounts needed to pay for interest, fees, principal, arbitrage rebates as required by federal law, and costs associated with the payment, registration, trustee services, credit enhancements, and issuing costs in excess of the amount appropriated to the department of treasury in part 1 for debt service on notes and bonds that are issued by the state under sections 14, 15, and 16 of article IX of the state constitution of 1963 as implemented by 1967 PA 266, MCL 17.451 to 17.455, are appropriated.

(2) In addition to the amount appropriated to the department of treasury for debt service in part 1, there is appropriated an amount for fiscal year cash-flow borrowing costs to pay for interest on interfund borrowing made under 1967 PA 55, MCL 12.51 to 12.53.

Sec. 902. (1) From the funds appropriated in part 1, the department of treasury may contract with private collection agencies and law firms to collect taxes and other accounts due this state. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 25% of the collections or 2.5% plus operating costs, whichever amount is prescribed by the contract. The appropriation to fund collection costs and fees for the collection of taxes or other accounts due this state are from the fund or account to which the revenues being collected are recorded or dedicated. However, if the taxes collected are constitutionally dedicated for a specific purpose, the appropriation of collection costs and fees are from the general purpose account of the general fund.

(2) From the funds appropriated in part 1, the department of treasury may contract with private collections agencies and law firms to collect defaulted student loans and other accounts due the Michigan guaranty agency. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 22% of the collection or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of defaulted student loans due the Michigan guaranty agency is from the fund or account to which the revenues being collected are recorded or dedicated.

(3) In cases in which the department of treasury is unable to collect defaulted student loans, the department shall explore the feasibility of donated services in lieu of repayment. The department of treasury shall file a report by January 1 with the senate and house of representatives standing committees on appropriations subcommittees on general government on the implementation status of this section, along with any suggested statutory changes.

(4) The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the state budget director and the senate and house of representatives standing committees on appropriations not later than November 30 stating the agencies or law firms employed, the amount of collections for each, the costs of collection, and other pertinent information relating to determining whether this authority should be continued.

Sec. 903. (1) The department of treasury, through its bureau of investments, may charge an investment service fee against the applicable retirement funds. The fees may be expended for necessary salaries, wages, contractual services, supplies, materials, equipment, travel, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement funds. Service fees shall not exceed the aggregate amount appropriated in part 1. The department of treasury shall maintain accounting records in sufficient detail to enable the retirement funds to be reimbursed periodically for fee revenue that is determined by the department of treasury to be surplus.

(2) In addition to the funds appropriated in part 1 from the retirement funds to the department of treasury, there is appropriated from retirement funds an amount sufficient to pay for the services of money managers, investment advisors, investment consultants, custodians and other outside professionals, the state treasurer considers necessary to prudently manage the retirement funds' investment portfolios. The state treasurer shall report annually to the senate and house of representatives standing committees on appropriations concerning the performance of each portfolio by investment advisor.

Sec. 904. The department of treasury shall sell copies of the state tax manual, uniform accounting procedures manual, general property tax law manual, and other local government assistance manuals with amendments, at a price not to exceed the cost of printing. The revenue received from the sale of preparation and local government assistance manuals shall revert to the department of treasury and be placed in the local government assistance manual revolving fund.

Sec. 905. (1) The department of treasury shall charge for audits as permitted by state or federal law or under contractual arrangements with local units of government, other principal executive departments, or state agencies. A report detailing

audits performed and audit charges for the immediately preceding fiscal year shall be submitted to the state budget director and the senate and house fiscal agencies not later than November 30.

(2) The appropriation in part 1 to the department of treasury, for state compliance audits, shall be used to cover the cost of the state audits performed by independent certified public accountants or department of treasury auditors. The scope of the state audit shall be defined by the state treasurer. The state audits shall be performed by independent certified public accountants contracted with by the state treasurer or by department of treasury auditors, if the county has agreed to contract with and pay the department for their financial single audit.

(3) The state audits shall be performed for the most current county fiscal year in conjunction with the financial single audit. The state audit may be performed either by certified public accountants contracted by the state treasurer or department of treasury staff, independent of the financial single audit, if a state audit has not been performed within the last 3 years.

Sec. 906. A revolving fund known as the assessor certification and training fund is created in the department of treasury. The assessor certification and training fund shall be used to organize and operate a property assessor certification and training program. Each participant certified and trained shall pay to the department of treasury an examination fee of \$25.00, an initial certification fee of \$35.00, an annual renewal fee of \$50.00 for levels 1 and 2 and \$95.00 for levels 3 and 4 to offset the cost of administering the certification and training program. Training courses shall be offered in assessment administration. Each participant shall pay a fee to cover the expenses incurred in offering the optional programs to certified assessing personnel and other individuals interested in an assessment career opportunity. The fees collected shall be credited to the assessor certification and training fund.

Sec. 907. The amount appropriated in part 1 to the department of treasury, home heating assistance program, is to cover the costs, including data processing, of administering federal home heating credits to eligible claimants and to administer the supplemental fuel cost payment program for eligible tax credit and welfare recipients.

Sec. 908. Revenue from the airport parking tax act, 1987 PA 248, MCL 207.371 to 207.383, is appropriated and shall be distributed under section 7a of the airport parking tax act, 1987 PA 248, MCL 207.377a.

Sec. 909. The disbursement by the department of treasury from the bottle deposit fund to dealers as required by section 3c(2) of the Initiated Law of 1976, MCL 445.573c, is appropriated.

Sec. 910. (1) There is appropriated an amount sufficient to recognize and pay refundable income tax credits as provided by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(2) The appropriations under subsection (1) shall be funded by restricting income tax revenue in an amount sufficient to record these expenditures.

Sec. 911. A plaintiff in a garnishment action involving this state shall pay to the state treasurer 1 of the following:

(a) A fee of \$6.00 at the time a writ of garnishment of periodic payments is served upon the state treasurer, as provided in section 4012 of the revised judicature act of 1961, 1961 PA 236, MCL 600.4012.

(b) A fee of \$6.00 at the time any other writ of garnishment is served upon the state treasurer, except that the fee shall be reduced to \$5.00 for each writ of garnishment for individual income tax refunds or credits filed by magnetic media.

Sec. 912. (1) The department of treasury may contract with private firms to appraise and, if necessary, appeal the assessments of senior citizen cooperative housing units. Payment for this service shall be from savings resulting from the appraisal or appeal process.

(2) Of the funds appropriated in part 1 to the department of treasury for the senior citizens' cooperative housing tax exemption program, a portion is to be utilized for a program audit of the program. The department of treasury shall forward copies of the audit report to the senate and house of representatives standing committees on appropriations subcommittees on general government and to the state budget office. The department of treasury may utilize up to 1% of the funds for program administration and auditing.

Sec. 913. The state treasurer may make loans to local units of government from the state's common cash fund to implement local government infrastructure and private facility projects that will ultimately use long-term debt to finance the costs. These loans may be made at any time and shall be repaid, in full, not later than 12 months after the date of the loan. In addition to the full repayment of the loan principal, the borrowing unit shall pay interest at the average rate earned on common cash investments during the period of the loan. The total of all outstanding loans shall not exceed \$50,000,000.00 in the aggregate and no single loan shall exceed \$7,500,000.00.

Sec. 914. The department of treasury may provide a \$200.00 annual prize from the Ehlers internship award account in the gifts, bequests, and deposit fund to the runner-up of the Rosenthal prize for interns. The Ehlers internship award account is interest bearing.

Sec. 915. Pursuant to section 61 of the Michigan campaign finance act, 1976 PA 388, MCL 169.261, there is appropriated from the general fund to the state campaign fund an amount equal to the amounts designated for tax year 2003. Except as otherwise provided in this section, the amount appropriated shall not revert to the general fund and shall remain in the state campaign fund. Any amounts remaining in the state campaign fund in excess of \$10,000,000.00 on December 31, 2006 shall revert to the general fund.

Sec. 916. The department of treasury may make available to interested entities otherwise unavailable customized unclaimed property listings of nonconfidential information in its possession. The charge for this information is as follows: 1 to 100,000 records at 2.5 cents per record and 100,001 or more records at .5 cents per record. The revenue received from this service shall be deposited to the appropriate revenue account or fund. The department shall submit an annual report on or before June 1 to the state budget director and the senate and house of representatives standing committees on appropriations that states the amount of revenue received from the sale of information.

Sec. 917. (1) There is appropriated for write-offs and advances an amount equal to total write-offs and advances for departmental programs, but not to exceed current year authorizations that would otherwise lapse to the general fund.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than November 30, stating the amounts appropriated for write-offs and advances under subsection (1).

Sec. 918. In addition to funds appropriated in part 1, the department of treasury may receive and expend funds for conducting tax orientation workshops and seminars. Funds received may not exceed costs incurred in conducting the workshops and seminars.

Sec. 919. (1) From funds appropriated in part 1, the department of treasury may contract with private auditing firms to audit for and collect unclaimed property due this state in accordance with the Michigan uniform unclaimed property act. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund auditing and collection costs and fees not to exceed 12% of the collections, or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of unclaimed property due this state is from the fund or account to which the revenues being collected are recorded or dedicated.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the state budget director and the senate and house of representatives standing committees on appropriations not later than November 30 stating the auditing firms employed, the amount of collections for each, the costs of collection, and other pertinent information relating to determining whether this authority should be continued.

Sec. 920. Payments from the appropriation in part 1 to the department of treasury for grants to counties in lieu of taxes for lands transferred to the federal government include a payment for Sleeping Bear Dunes national lakeshore under 1974 PA 359, MCL 3.901 to 3.910.

Sec. 921. All of the revenue collected under section 12(3)(a) of the tobacco products tax act, 1993 PA 327, MCL 205.432, is appropriated to the health and safety fund of this state for distribution as set forth in the health and safety fund act, 1987 PA 264, MCL 141.471 to 141.479.

Sec. 922. The state general fund/general purpose appropriation in part 1 for renaissance zone reimbursement is allocated to reimburse public libraries as provided by section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for property taxes levied in 2003. Reimbursements shall be made in amounts to each eligible recipient not later than 60 days after the department of treasury certifies to the department that it has received all necessary information to properly determine the amounts due each eligible recipient under section 12(4) of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692. Any excess allocations shall lapse to the general fund.

Sec. 923. The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director by November 30 stating the amount of Michigan transportation fund revenue collected and the cost of collection.

Sec. 924. Notwithstanding any other provision of this act, the department of treasury shall not expend any funds on initiating a new audit of any taxpayer until the department fully and completely complies with section 4(3) of 1941 PA 122, MCL 205.4. This provision shall not require the department to disclose audit selection or processing criteria as provided by section 28(1)(f) of 1941 PA 122, MCL 205.28. The department shall publish the required handbook which informs taxpayers and tax preparers of audit and collection procedures used by the department and procedures which govern departmental communications with taxpayers in the audit and collection process. The department may comply with this publishing requirement by making the audit information available to taxpayers and tax preparers through the department's website on the Internet.

Sec. 925. (1) In addition to the funds appropriated in part 1, the department of treasury may receive and expend homestead property tax exemption audit fund revenue for administration of homestead property tax exemption audits consistent with the provisions of Enrolled Senate Bill No. 520 of the 92nd Legislature.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than December 31, stating the amount of revenue appropriated for homestead property tax exemption audits under subsection (1).

Sec. 926. From the amounts appropriated in part 1 for grants to local government for activity under MCL 211.22a, the department of treasury shall provide grants to cities, townships, or counties for the sole purpose of paying a portion of the costs of the activity undertaken under section 22a of the general property tax act, 1893 PA 206, MCL 211.22a, under contracts approved by the department of treasury. The total grants provided under this section shall not exceed \$7,000,000.00 for the 2003-2004 fiscal year.

Sec. 940. The department of treasury may provide receipt, warrant and cash processing, data, collection, investment, fiscal agent, levy and warrant cost assessment, writ of garnishment, and other user services on a contractual basis for other principal executive departments and state agencies. Funds for the services provided are appropriated and shall be expended for salaries and wages, fees, supplies, and equipment necessary to provide the services. Any unobligated balance of the funds received shall revert to the general fund of this state as of September 30.

Sec. 941. The department of treasury may enter into agreements to supply data or collection services to other executive principal departments or state agencies, the United States department of treasury, or local units of government within this state. The department of treasury shall charge for this tax data service and amounts received are appropriated and shall be expended for salaries and wages, fees, supplies, and equipment necessary to provide the service.

Sec. 942. (1) The department of treasury shall provide accounts receivable collections services to other principal executive departments and state agencies under 1927 PA 375, MCL 14.131 to 14.134. The department of treasury shall deduct a fee equal to the cost of collections from all receipts except unrestricted general fund collections. Fees shall be credited to a restricted revenue account and appropriated to the department of treasury to pay for the cost of collections. The department of treasury shall maintain accounting records in sufficient detail to enable the respective accounts to be reimbursed periodically for fees deducted that are determined by the department of treasury to be surplus to the actual cost of collections.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than November 30, stating the principal executive departments and state agencies served, funds collected, and costs of collection under subsection (1).

Sec. 943. The appropriation in part 1 to the department of treasury, for treasury fees, shall be assessed against all restricted funds that contribute to the total value of state managed investments in the ratio each restricted fund contributes to the total value of state managed investments. The department of treasury shall provide a report to the state budget director, the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies by November 30 of each year identifying the fees assessed against each restricted fund.

Sec. 950. Revenue received under the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1444, may be expended by the board of directors of the Michigan education trust for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 951. (1) From the funds appropriated in part 1 for the Michigan merit award board/MEAP administration, the department shall provide tests to nonpublic schools and home-schooled students upon request. The department shall notify nonpublic schools that they are eligible to receive the tests.

(2) The department shall release test results at the same time to all private schools and public school districts taking the tests.

(3) The results of each test administered as part of the Michigan educational assessment program, including tests administered to high school students, shall include an item analysis that lists all items that are counted for individual student scores and the percentage of students choosing each possible response.

Sec. 952. (1) The \$1,000,000.00 appropriated in part 1 for the Michigan education savings program is from the Michigan merit award trust fund to fund an incentive program for the Michigan education savings program created under the Michigan education savings program act, 2000 PA 161, MCL 390.1471 to 390.1486.

(2) The funds appropriated for the Michigan education savings program shall be used to provide a state match to dollars invested on behalf of each child named as a designated beneficiary in the Michigan education savings program who is 6 years of age or less, who is a Michigan resident, and whose family's income is \$80,000.00 or less.

(3) During the current fiscal year, the state shall provide \$1.00 of matching funds for each \$3.00 of individual contributions to the educational savings accounts. The maximum state match for each designated beneficiary shall be \$200.00.

(4) The state match shall be available only in the first year the child is enrolled in the Michigan education savings program.

Sec. 960. The department of treasury may expend revenues received under the hospital finance authority act, 1969 PA 38, MCL 331.31 to 331.84, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund. The department of treasury shall maintain accounting records in sufficient detail to enable the hospital clients to be reimbursed periodically for fees that are determined by the department of treasury to be surplus to needs.

Sec. 961. The department of treasury may expend revenue received under the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 962. The department of treasury shall establish a separate account for the funds related to the Michigan higher education facilities authority. The department of treasury may expend revenue received under the higher education

facilities authority act, 1969 PA 295, MCL 390.921 to 390.934, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund. The department of treasury shall maintain accounting records in sufficient detail to enable the educational institution clients to be reimbursed periodically for fees that are determined by the department to be surplus to needs.

Sec. 963. The department of treasury may expend revenues received under the Michigan public educational facilities authority, Executive Order No. 2002-3, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 964. The department of treasury may expend revenues received under the Michigan broadband development authority act, 2002 PA 49, MCL 484.3201 to 484.3225, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

#### **REVENUE SHARING**

Sec. 970. (1) Revenue collected in accordance with section 10 of article IX of the state constitution of 1963 in excess of the amount appropriated in part 1 for constitutional revenue sharing is appropriated for distribution to townships, cities, and villages on a population basis as specified by law. The appropriation in part 1 for statutory state general revenue sharing grants to townships, cities, and villages shall be reduced by an amount equal to any additional constitutional revenue sharing appropriations authorized in this section.

(2) The appropriation in part 1 for statutory state general revenue sharing grants shall be distributed according to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921. Undistributed funds shall lapse to the general fund.

Sec. 971. County treasurers shall comply with section 151 of the state school aid act of 1979, 1979 PA 94, MCL 388.1751, to receive funds under part 1 for the statutory state general revenue sharing grant payments in excess of the constitutional state general revenue sharing grant payments. The payment of funds under part 1 for the statutory state general revenue sharing grant payments in excess of the constitutional state general revenue sharing grant payments shall not be withheld if a local unit of government or the department of treasury fails to provide a county treasurer with information necessary to comply with section 151 of the state school aid act of 1979, 1979 PA 94, MCL 388.1751.

#### **LOTTERY**

Sec. 980. In addition to the funds appropriated in part 1 to the bureau of state lottery, there is appropriated from lottery revenues the amount necessary for, and directly related to, implementing and operating lottery games. Appropriations under this section shall only be expended for contractually mandated payments for vendor commissions, contractually mandated payments for instant tickets intended for resale, the contractual costs of providing and maintaining the on-line system communications network, and incentive and bonus payments to lottery retailers.

Sec. 981. The funds appropriated in part 1 to the bureau of state lottery shall not be used for any promotional efforts directed towards individuals who are less than 18 years of age.

Sec. 982. The funds appropriated in part 1 to the bureau of state lottery shall not be used to directly or indirectly associate professional or amateur sports figures with the lottery or its products.

Sec. 983. The bureau of state lottery shall complete a project plan which includes new strategies for the bureau to use in its efforts to increase lottery ticket sales, and improvements they are going to make on how they expend funding for advertising and promotion. The bureau of state lottery shall report quarterly to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies on the status of the project plan to increase lottery ticket sales and improve expenditure of funds.

#### **CASINO GAMING**

Sec. 990. Revenue collected by the Michigan gaming control board regarding the wagering tax imposed on adjusted gross receipts received by the licensee from gaming authorized under the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.201 to 432.226, at the rate of 8.15% is appropriated and shall be deposited in the state school aid fund to provide additional funds for K-12 classroom education.

Sec. 991. From the revenue collected by the Michigan gaming control board regarding the total annual assessment of each casino licensee, \$2,000,000.00 is appropriated and shall be deposited in the compulsive gaming prevention fund as described in section 12a(5) of the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.212a.

Sec. 992. In addition to the funds appropriated in part 1, funds distributed by the Michigan gaming control board to the department of treasury for oversight of casino gaming are appropriated upon receipt. These funds may be used to pay for costs incurred for casino gaming oversight activities.

Sec. 993. (1) Funds appropriated in part 1 for local government programs may be used to provide assistance to a local revenue sharing board referenced in an agreement authorized by the Indian gaming regulatory act, Public Law 100-497, 102 Stat. 2467.



(2) A local revenue sharing board described in subsection (1) shall comply with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(3) A county treasurer is authorized to receive and administer funds received for and on behalf of a local revenue sharing board. Funds appropriated in part 1 for local government programs may be used to audit local revenue sharing board funds held by a county treasurer. This section does not limit the ability of local units of government to enter into agreements with federally recognized Indian tribes to provide financial assistance to local units of government or to jointly provide public services.

(4) The director of the department of state police and the executive director of the Michigan gaming control board are authorized to assist the local revenue sharing boards in determining allocations to be made to local public safety organizations.

(5) The department of treasury shall submit a report by September 30 to the senate and house of representatives standing committees on appropriations on the receipts and distribution of revenues by local revenue sharing boards.

Sec. 994. If revenues collected in the state services fee fund are less than the amounts appropriated from the fund, available revenues shall be used to fully fund the appropriation in part 1 of this act for casino gaming regulation activities before distributions are made to other state departments and agencies. If the remaining revenue in the fund is insufficient to fully fund appropriations to other state departments or agencies, the shortfall shall be distributed proportionally among those departments and agencies.

**REVENUE STATEMENT**

Sec. 1101. Pursuant to section 18 of article V of the state constitution of 1963, fund balances and estimates are presented in the following statement:

**BUDGET RECOMMENDATIONS BY OPERATING FUNDS**

(Amounts in millions)

Fiscal Year 2003-2004

	Fund #	Beginning Unreserved Fund Balance	Estimated Revenue	Ending Balance
<b>OPERATING FUNDS</b>				
General	0110	0.0	20,829.9	0.0
Special Revenue Funds:				
Countercyclical budget and economic stabilization	0111	0.0	0.0	0.0
Game and fish protection	0112	12.8	63.0	8.0
Michigan employment security act administration	0113	1.2	102.9	1.3
State aeronautics	0114	0.0	57.8	0.0
Michigan veterans' benefit trust	0115	0.0	2.5	0.0
State trunkline	0116	0.0	1,748.2	0.0
Michigan state waterways	0117	0.5	24.1	0.2
Blue Water Bridge	0118	0.0	13.2	0.0
Michigan transportation	0119	0.0	2,118.8	0.0
Comprehensive transportation	0120	0.0	297.5	0.0
School aid	0122	0.0	12,359.2	0.0
Marine safety	0123	0.0	5.0	0.0
Game and fish protection trust	0124	0.0	17.4	0.0
State park improvement	0125	3.8	31.5	3.0
Forest development	0126	4.0	22.3	0.0
Michigan civilian conservation corps endowment	0128	0.2	2.3	0.0
Michigan natural resources trust	0129	0.0	49.4	0.0
Michigan state parks endowment	0130	11.2	21.7	11.2
Safety education and training	0131	1.6	7.6	0.0
Uninsured employers' security	0135	0.0	0.0	0.0
Bottle deposit	0136	0.0	24.7	0.0
State construction code	0138	8.5	11.0	9.0
Children's trust	0139	1.0	3.2	1.1
State casino gaming	0140	2.0	28.8	3.3
Homeowner construction lien recovery	0141	1.2	4.4	4.5
Michigan nongame fish and wildlife	0143	0.4	0.9	0.3
Michigan merit award trust	0154	0.0	227.8	0.0
Tobacco settlement trust	0155	12.0	76.0	0.0
Michigan underground storage tank finance assurance	0160	0.0	0.0	0.0
<b>TOTALS</b>		<b>\$60.4</b>	<b>\$38,151.1</b>	<b>\$41.9</b>

Second: That the Senate and House agree to the title of the bill to read as follows:

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2004; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

Valde Garcia  
Michelle McManus  
Michael Switalski  
Conferees for the Senate

Shelley Goodman Taub  
Judy Emmons  
Carl Williams  
Conferees for the House

Pending the order that, under joint rule 9, the conference report be laid over one day,

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 conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 401**

**Yeas—33**

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

**Nays—1**

Patterson

**Excused—4**

Bernero

Emerson

Jelinek

Scott

**Not Voting—0**

In The Chair: Sanborn

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

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

Senator Hammerstrom requested the yeas and nays.

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

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

**Roll Call No. 402****Yeas—19**

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

**Nays—14**

Barcia	Clark-Coleman	Patterson	Switalski
Basham	Clarke	Prusi	Thomas
Brater	Jacobs	Schauer	Toy
Cherry	Leland		

**Excused—4**

Bernero	Emerson	Jelinek	Scott
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**Not Voting—1**

Olshove

In The Chair: Sanborn

Senator Hammerstrom moved to reconsider the vote by which the bill was not given immediate effect.

The question being on the motion to reconsider,

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

The motion prevailed.

Senator Bernero entered the Senate Chamber.

By unanimous consent the Senate returned to the order of

**Messages from the House****Senate Bill No. 289, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 32701, 32705, 32707, 32708, and 32714 (MCL 324.32701, 324.32705, 324.32707, 324.32708, and 324.32714), sections 32701, 32707, and 32708 as amended and section 32714 as added by 1996 PA 434 and section 32705 as added by 1995 PA 59, and by adding part 328.

The House of Representatives has substituted (H-2) the bill.

The House of Representatives has passed the bill as substituted (H-2), ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Hammerstrom moved that the rule be suspended.

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

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

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

**Roll Call No. 403****Yeas—34**

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

**Nays—0****Excused—3**

Emerson	Jelinek	Scott
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**Not Voting—1**

Kuipers

In The Chair: Sanborn

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

Senator Hammerstrom moved that rule 2.106 be suspended to allow committees to meet during Senate session. The motion prevailed, a majority of the members serving voting therefor.

**Recess**

Senator Hammerstrom moved that the Senate recess until 1:30 p.m.  
The motion prevailed, the time being 10:27 a.m.

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

By unanimous consent the Senate returned to the order of

**Conference Reports**

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

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

Senators Bernero and Emerson entered the Senate Chamber.

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

**Senate Bill No. 270, entitled**

A bill to make appropriations for the legislature, the judiciary, the executive, the department of the attorney general, the department of state, the department of treasury, the department of management and budget, the department of civil service, the department of civil rights, and certain state purposes related thereto for the fiscal year ending September 30, 2004; to provide for the expenditure of the appropriations; to provide for the disposition of fees and other income received by the state agencies; and to declare the effect of this act.

(The conference report was adopted earlier today and the motion to reconsider immediate effect postponed. See p. 1491.)

The question being on the motion to reconsider the vote by which the bill was not given immediate effect,

The motion prevailed.

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

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

By unanimous consent the Senate returned to the order of

**Messages from the House**

**Senate Bill No. 539, entitled**

A bill 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, critical 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 10 (MCL 247.660), as amended by 2000 PA 188.

The House of Representatives has substituted (H-3) the bill.

The House of Representatives has passed the bill as substituted (H-3) and ordered that it be given immediate effect.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Hammerstrom moved that the rule be suspended.

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

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

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

**Roll Call No. 404****Yeas—32**

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

**Nays—0****Excused—4**

Clarke	Jelinek	Leland	Scott
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**Not Voting—2**

Birkholz	McManus
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In The Chair: Sanborn

Senator Hammerstrom moved that Senators McManus and Birkholz be temporarily excused from the balance of today's session.

The motion prevailed.

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

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

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

Senators Birkholz and McManus entered the Senate Chamber.

**Senate Bill No. 554, entitled**

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 217a, 217d, 307, 312e, 312h, 320e, 801, 801d, 802, 803b, 803m, 804, 806, 807, 810, 811, 811c, 811h, and 812 (MCL 257.217a, 257.217d, 257.307, 257.312e, 257.312h, 257.320e, 257.801, 257.801d, 257.802, 257.803b, 257.803m, 257.804, 257.806, 257.807, 257.810, 257.811, 257.811c, 257.811h, and 257.812), section 217a as amended by 1988 PA 419, section 217d as amended by 2000 PA 78, section 307 as amended by 2002 PA 534, section 312e as amended by 2002 PA 652, section 312h as amended by 1989 PA 299, section 320e as amended by 1998 PA 346, section 801 as amended by 2002 PA 417, section 801d as amended by 1984 PA 123, section 802 as amended by 1998 PA 396, section 803b as amended by 1996 PA 142, section 803m as amended and section 811c as added by 1994 PA 332, section 804 as amended and section 811h as added by 2000 PA 77, section 806 as amended by 2002 PA 497, section 807 as amended by 1998 PA 384, section 810 as amended by 1987 PA 238, section 811 as amended by 2000 PA 456, and section 812 as amended by 1989 PA 280, and by adding sections 803r and 810b; and to repeal acts and parts of acts.

The House of Representatives has substituted (H-7) the bill.

The House of Representatives has passed the bill as substituted (H-7), ordered that it be given immediate effect and amended the title to read as follows:

A bill 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 217a, 217d, 226, 226b, 307, 310, 312e, 312h, 320e, 723, 801, 802, 803b, 803m, 804, 806, 807, 810, 811, 811c, 811h, and 812 (MCL 257.217a, 257.217d, 257.226, 257.226b, 257.307, 257.310, 257.312e, 257.312h, 257.320e, 257.723, 257.801, 257.802, 257.803b, 257.803m, 257.804, 257.806, 257.807, 257.810, 257.811, 257.811c, 257.811h, and 257.812), section 217a as amended by 1988 PA 419, section 217d as amended by 2000 PA 78, section 226 as amended by 2002 PA 642, section 226b and 312h as amended by 1989 PA 299, section 307 as amended by 2002 PA 534, sections 310 and 312e as amended by 2002 PA 652, section 320e as amended by 1998 PA 346, section 723 as amended by 1988 PA 346, section 801 as amended by 2002 PA 417, section 802 as amended by 1998 PA 396, section 803b as amended by 1996 PA 142, section 803m as amended and section 811c as added by 1994 PA 332, section 804 as amended and section 811h as added by 2000 PA 77, section 806 as amended by 2002 PA 497, section 807 as amended by 1998 PA 384, section 810 as amended by 1987 PA 238, section 811 as amended by 2000 PA 456, and section 812 as amended by 1989 PA 280, and by adding sections 803r, 810b, 819a, and 819b; and to repeal acts and parts of acts.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Hammerstrom moved that the rule be suspended.

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

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

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

**Roll Call No. 405**

**Yeas—32**

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

**Nays—2**

Kuipers	Sanborn
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**Excused—4**

Clarke	Jelinek	Leland	Scott
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**Not Voting—0**

In The Chair: Sanborn

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

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

The Senate agreed to the title as amended.

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

**Senate Bill No. 596, entitled**

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 12562 (MCL 333.12562), as amended by 1999 PA 41.

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

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

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

The Senate agreed to the full title.

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

**Senate Bill No. 285, entitled**

A bill to make appropriations for the department of career development and the Michigan strategic fund and certain other state purposes for the fiscal year ending September 30, 2004; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agencies.

(For Conference Report, see Senate Journal No. 69, p. 1469.)

The House of Representatives has adopted the report of the Committee of Conference.

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

**Senate Bill No. 567, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 3104, 30104, 30109, 32312, and 32513 (MCL 324.3104, 324.30104, 324.30109, 324.32312, and 324.32513), as amended by 1999 PA 106.

The House of Representatives has substituted (H-2) the bill.

The House of Representatives has passed the bill as substituted (H-2), ordered that it be given immediate effect and amended the title to read as follows:

A bill to amend 1994 PA 451, entitled "An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts," by amending sections 3104, 8716, 30104, 30109, 32312, and 32513 (MCL 324.3104, 324.8716, 324.30104, 324.30109, 324.32312, and 324.32513), sections 3104, 30104, 30109, and 32312 as amended by 1999 PA 106 and section 32513 as amended by 2003 PA 14.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Hammerstrom moved that the rule be suspended.

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

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

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

**Roll Call No. 406****Yeas—34**

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

**Nays—0**



**Excused—4**

Clarke

Jelinek

Leland

Scott

**Not Voting—0**

In The Chair: Sanborn

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

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

By unanimous consent the Senate proceeded to the order of

**Introduction and Referral of Bills**

Senator Thomas introduced

**Senate Bill No. 640, entitled**

A bill to amend 1953 PA 232, entitled "Corrections code of 1953," (MCL 791.201 to 791.283) by adding section 37a. The bill was read a first and second time by title and referred to the Committee on Judiciary.

Senator Thomas introduced

**Senate Bill No. 641, entitled**

A bill to regulate certain parking lots and provide for the posting of certain notices; to provide certain powers and duties for state agencies; to provide for rule-making authority; and to provide for remedies and penalties.

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

Senators Brater, Jacobs, Schauer, Clark-Coleman, Olshove, Scott, Switalski, Cropsey, Patterson and Bishop introduced

**Senate Bill No. 642, entitled**

A bill to amend 1976 PA 442, entitled "Freedom of information act," by amending section 13 (MCL 15.243), as amended by 2002 PA 437.

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

Senators Cherry, Kuipers, Emerson, Barcia, Toy, Olshove, Stamas, Johnson, Leland and Bishop introduced

**Senate Bill No. 643, entitled**

A bill to amend 1976 PA 451, entitled "The revised school code," by amending section 614 (MCL 380.614), as amended by 2002 PA 157.

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

Senator Johnson introduced

**Senate Bill No. 644, entitled**

A bill to adopt an official state song.

The bill was read a first and second time by title and referred to the Committee on Local, Urban and State Affairs.

Senators Johnson and Hammerstrom introduced

**Senate Bill No. 645, entitled**

A bill to amend 1927 PA 175, entitled “The code of criminal procedure,” by amending section 4a of chapter IX, and section 16d of chapter XVII (MCL 769.4a and 777.16d), section 4a of chapter IX as amended by 2001 PA 208 and section 16d of chapter XVII as amended by 2002 PA 269.

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

Senators Johnson and Hammerstrom introduced

**Senate Bill No. 646, entitled**

A bill to amend 1931 PA 328, entitled “The Michigan penal code,” by amending sections 81, 81a, 81b, 82, and 84 (MCL 750.81, 750.81a, 750.81b, 750.82, and 750.84), sections 81 and 81a as amended by 2001 PA 190, section 81b as added by 1994 PA 65, and section 82 as amended by 1994 PA 158, and by adding section 81e.

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

Senators Patterson, Barcia and Kuipers introduced

**Senate Bill No. 647, entitled**

A bill to amend 1974 PA 154, entitled “Michigan occupational safety and health act,” by amending sections 6 and 29 (MCL 408.1006 and 408.1029) and by adding section 32.

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

Senator Schauer moved that Senator Thomas be temporarily excused from the balance of today’s session.

The motion prevailed.

By unanimous consent the Senate returned to the order of

**Resolutions**

The question was placed on the adoption of the following resolution consent calendar:

**Senate Resolution No. 135**

The resolution consent calendar was adopted.

Senators Bishop, Cassis and Johnson offered the following resolution:

**Senate Resolution No. 135.**

A resolution to commend and support the traditions, history, and restoration of the Strand Theater in Pontiac, Michigan.

Whereas, The Strand Theater has played a vital role in the history and culture of Pontiac, Michigan; and

Whereas, Designed by Leo John Heenan, the emporium would set the standard for the residents of Pontiac and surrounding areas; and

Whereas, The Strand Theater opened to the public in March 1921. Its three-story brick façade, trimmed in limestone details, is a reminder of English theaters of the late 18th century. Inside, Circassian walnut woodwork and panels of Verde antique marble were set off by walls and molded plaster in French gray, ivory, and soft blue. Moroccan leather seats—650 of them on the main floor and 550 in the sweeping balcony—and blue velour drapery completed the distinctive look; and

Whereas, The Strand Theater housed the largest theater organ in the state of Michigan; and

Whereas, Several extensive renovations have occurred over the years, including a major “modernization” in 1949 by noted theater architect C. Howard Crane, designer of Detroit’s Fox Theater; and

Whereas, In the 1950s, the invention of televisions and shopping malls significantly contributed to the demise of the downtown experience in America. The Strand Theater struggled too. Many of the adjacent buildings and structures were condemned to the wrecking ball throughout the 1960s. This included most of the theater district. The Strand Theater became known as the Campus Theater, which struggled to keep its doors open and was ultimately closed in the mid ’80s; and

Whereas, The city of Pontiac purchased the Strand Theater in 1986 in hopes of preserving its rich tradition. For several years, the theater was leased to performing groups who altered many aspects of the theater and left it in poor condition. In 1994, the city reclaimed the theater and began the long process of revitalization; and

Whereas, In spite of its difficult journey, the Strand Theater has managed to reach yet another milestone. On March 3, 2003, precisely 82 years after opening its doors, the Strand Theater reopened, with great fanfare and jubilation from a grateful community; and

Whereas, This gloriously restored, expanded, and rededicated facility will return to the prominence it once held as an icon in the city of Pontiac; now, therefore, be it

Resolved by the Senate, That it is with great support and admiration that we honor those who have worked so hard to continue to keep alive the dream of full restoration of the Strand Theater, and we commend those individuals to continue their efforts with the full support of the Michigan Senate; and be it further

Resolved, That a copy of this resolution be transmitted to the Strand Theater as a token of our profound esteem and gratitude.

#### **Senate Concurrent Resolution No. 26.**

A concurrent resolution to memorialize the Congress of the United States to work with the appropriate federal agencies in adopting guidelines on beach grooming on private property and to encourage the United States Army Corps of Engineers to work with property owners on the stewardship of beaches.

(For text of resolution, see Senate Journal No. 57, p. 802.)

The House of Representatives has adopted the concurrent resolution and named Reps. Acciavatti, Bieda, Brandenburg, Brown, Byrum, DeRoche, DeRossett, Drolet, Ehardt, Elkins, Farhat, Farrah, Garfield, Gillard, Hager, Huizenga, Hummel, Jammick, Kooiman, Lipsey, Meyer, Newell, Nofs, Paletko, Palmer, Palsrok, Pappageorge, Pastor, Richardville, Rocca, Sheltroun, Stahl, Stakoe, Stallworth, Tabor and Walker as co-sponsors of the concurrent resolution.

The concurrent resolution was referred to the Secretary for record.

#### **Recess**

Senator Hammerstrom moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 1:54 p.m.

2:53 p.m.

The Senate was called to order by the Assistant President pro tempore, Senator Sanborn.

During the recess, Senator Emerson entered the Senate Chamber.

By unanimous consent the Senate returned to the order of

#### **Conference Reports**

Senator Johnson submitted the following:

#### **FIRST CONFERENCE REPORT**

The Committee of Conference on the matters of difference between the two Houses concerning

#### **Senate Bill No. 575, entitled**

A bill to amend 1971 PA 140, entitled "Glenn Steil state revenue sharing act of 1971," by amending sections 11 and 13 (MCL 141.911 and 141.913), as amended by 2002 PA 679.

Recommends:

First: That the House recede from the Substitute of the House as passed by the House.

Second: That the Senate and House agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

A bill to amend 1971 PA 140, entitled "Glenn Steil state revenue sharing act of 1971," by amending sections 11 and 13 (MCL 141.911 and 141.913), as amended by 2002 PA 679.

#### **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

Sec. 11. (1) For state fiscal years before the 1996-1997 state fiscal year, the department of management and budget shall cause to be paid during each August, November, February, and May, to counties on a per capita basis the collections from the state income tax as certified by the department of treasury for the quarter periods ending the prior June 30, September 30, December 31, and March 31 that are available for distribution to and retention by counties.

(2) For state fiscal years beginning after September 30, 1992 and ending before October 1, 1996, the collections from the state income tax otherwise available for distribution to counties in November for the quarter period ending the prior

September 30 shall be increased by \$35,900,000.00 and the collections from the state income tax otherwise available for distribution to counties in August for the quarter period ending the prior June 30 shall be decreased by \$35,900,000.00.

(3) For the 1996-1997 and 1997-1998 state fiscal years, the department of treasury shall cause to be paid to counties on a per capita basis an amount equal to 24.5% of the difference between 21.3% of the sales tax collections at a rate of 4% in the 12-month period ending June 30 of the state fiscal year in which the payments are made and the total distribution for the state fiscal year under section 12a. Subject to section 13d, for the 1998-1999 through 2005-2006 state fiscal years and for the period of October 1, 2006 through September 30, 2007, the department of treasury shall cause to be paid to counties ~~both~~ **all** of the following:

(a) Except as provided in subdivision (c), an amount equal to the amount the county was eligible to receive under section 12a in the 1997-1998 state fiscal year.

(b) Except as provided in subdivision (c), an amount equal to 25.06% of 21.3% of the sales tax collections at a rate of 4% in the 12-month period ending June 30 of the state fiscal year in which the payments are made minus the amount determined under subdivision (a) which shall be distributed on a per capita basis. If the amount appropriated under this section to counties is less than 25.06% of 21.3% of the sales tax rate of 4%, any reduction made necessary by this appropriation in distributions to counties shall first be applied to the distribution under this subdivision.

(c) For the 2002-2003 state fiscal year only, each county shall receive **the lesser of 96.5%, or the percentage determined under this subdivision**, of the amount that the county would have received if the total available for distribution under subdivisions (a) and (b) were \$211,549,002.00. The total amount available for distribution to all counties under this subdivision shall not exceed \$204,144,787.00. **For the 2002-2003 state fiscal year, the percentage under this subdivision shall be determined by dividing the sum of all payments under section 10 of article IX of the state constitution of 1963 and \$791,070,000.00 by \$1,515,644,218.00. For the 2003-2004 state fiscal year only, each county shall receive the lesser of 97%, or the percentage determined under this subdivision, of the amount distributed to the county under this subsection for the 2002-2003 state fiscal year. For the 2003-2004 state fiscal year, the percentage under this subdivision shall be determined by dividing the sum of all payments under section 10 of article IX of the state constitution of 1963 and \$724,800,000.00 by \$1,407,850,000.00 and then subtracting 0.03.**

(4) After September 30, 2007, 25.06% of 21.3% of the sales tax collections at a rate of 4% shall be distributed to counties as provided by law.

(5) The payments under subsection (3) shall be made from revenues collected during the state fiscal year in which the payments are made and shall be made during each October, December, February, April, June, and August. Payments shall be based on collections from the sales tax at a rate of 4% in the 2-month period ending the prior August 31, October 31, December 31, February 28, April 30, and June 30, and for the 1996-1997 and 1997-1998 state fiscal years only the payments shall be reduced by 1/6 of the total distribution for the state fiscal year under section 12a. For state fiscal years after the 1995-1996 state fiscal year, the collections from the sales tax otherwise available for distribution to counties under subsection (3) in December shall be increased by \$17,000,000.00 and the collections from the sales tax otherwise available for distribution to counties under subsection (3) in April shall be decreased by \$17,000,000.00.

Sec. 13. (1) This subsection and subsection (2) apply to distributions to cities, villages, and townships during the state fiscal years before the 1996-1997 state fiscal year of collections from the state income tax and single business tax. Except as otherwise provided in subsection (2), the department of treasury shall cause to be paid to each city, village, and township its share, computed in accordance with the tax effort formula, of the following revenues:

(a) During each August, November, February, and May, the collections from the state income tax for the quarter periods ending the prior June 30, September 30, December 31, and March 31 that are available for distribution to cities, villages, and townships under the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532.

(b) The amount of the collections from the single business tax available for distribution to cities, villages, and townships under former section 136 of the single business tax act, 1975 PA 228.

(2) The amount of collections of the state income tax otherwise available for distribution to cities, villages, and townships in November, February, and May, computed in accordance with the tax effort formula, shall be increased by \$22,600,000.00. The amount of collections otherwise available for distribution to cities, villages, and townships in August, computed in accordance with the tax effort formula, shall be decreased by \$67,800,000.00.

(3) This subsection applies to distributions to cities, villages, and townships for the 1996-1997 state fiscal year. The department shall cause to be paid in accordance with the tax effort formula an amount equal to 75.5% of the difference between 21.3% of the sales tax collections at a rate of 4% in the 12-month period ending June 30 of the state fiscal year in which the payments are made and the total distribution for the state fiscal year under section 12a.

(4) The department of treasury shall cause to be paid during the 1997-1998 state fiscal year an amount equal to 75.5% of the difference between 21.3% of the sales tax collections at a rate of 4% in the 12-month period ending June 30 of the state fiscal year in which the payments are made and the total distribution for the state fiscal year under section 12a, both of the following:

(a) To each city, village, and township, the amount of collections distributed under subsection (3) to cities, villages, and townships for the 1996-1997 state fiscal year or its pro rata share of the collections if the collections are less than the amount of collections distributed under subsection (3) for the 1996-1997 state fiscal year. A city's, village's, or township's share of revenues under this subdivision shall be computed using the tax effort formula.

(b) To each city, village, and township its share of the collections to the extent the total collections available for distribution under this subsection exceed the amount distributed to cities, villages, and townships under subdivision (a) for the fiscal year. A city's, village's, or township's share of revenues under this subdivision shall be computed on a per capita basis.

(5) Subject to section 13d, for the 1998-1999 through 2005-2006 state fiscal years and for the period of October 1, 2006 through September 30, 2007, the department of treasury shall cause distributions determined under subsections (6) to (13) to be paid to each city, village, and township from an amount equal to 74.94% of 21.3% of the sales tax collections at a rate of 4% in the 12-month period ending June 30 of the state fiscal year in which the payments are made. After September 30, 2007, 74.94% of 21.3% of sales tax collections at a rate of 4% shall be distributed to cities, villages, and townships as provided by law.

(6) Subject to section 13d, for the 1998-1999 through 2005-2006 state fiscal years and for the period of October 1, 2006 through September 30, 2007, except for the 2002-2003 **and 2003-2004** state fiscal ~~year~~ years, and except as otherwise provided in subsection (15), the department of treasury shall cause to be paid \$333,900,000.00 to a city with a population of 750,000 or more as the total combined distribution under this act and section 10 of article IX of the state constitution of 1963 as annualized for any period of less than 12 months to that city. For the 2002-2003 state fiscal year only, the total combined distribution under this subsection and section 10 of article IX of the state constitution of 1963 shall be **the lesser of \$322,213,500.00 or \$333,900,000.00 multiplied by the percentage as determined under this subsection. For the 2002-2003 state fiscal year, the percentage under this subsection shall be determined by dividing the sum of all payments under section 10 of article IX of the state constitution of 1963 and \$791,070,000.00 by \$1,515,644,218.00. For the 2003-2004 state fiscal year only, the total combined distribution under this subsection and section 10 of article IX of the state constitution of 1963 shall be the lesser of 97%, or the percentage determined under this subsection, of the total combined distribution under this subsection and section 10 of article IX of the state constitution of 1963 for the 2002-2003 state fiscal year. For the 2003-2004 state fiscal year, the percentage under this subsection shall be determined by dividing the sum of all payments under section 10 of article IX of the state constitution of 1963 and \$724,800,000.00 by \$1,407,850,000.00 and then subtracting 0.03.**

(7) Except as otherwise provided in this subsection, distributions under subsections (8) to (13) to cities, villages, and townships with populations of less than 750,000 shall be made from the amount available for distribution under this section that remains after the distribution under subsection (6) is made. For the 2002-2003 state fiscal year only, each city, village, and township with a population of less than 750,000 shall receive **the lesser of 96.5%, or the percentage determined under this subsection,** of the amount that the city, village, or township would have received if the total available for distribution under subsections (8) to (13) were \$363,069,728.00 and the total available for distribution under section 10 of article IX of the state constitution of 1963 were \$607,125,488.00. The total amount available for distribution to all cities, villages, and townships under this subsection shall not exceed \$936,238,383.00. **For the 2002-2003 state fiscal year, the percentage under this subsection shall be determined by dividing the sum of all payments under section 10 of article IX of the state constitution of 1963 and \$791,070,000.00 by \$1,515,644,218.00. For the 2003-2004 state fiscal year only, each city, village, and township with a population of less than 750,000 shall receive an amount equal to the lesser of 97%, or the percentage determined under this subsection, of the amount distributed to the city, village, or township under this subsection and section 10 of article IX of the state constitution of 1963 for the 2002-2003 state fiscal year. For the 2003-2004 state fiscal year, the percentage under this subsection shall be determined by dividing the sum of all payments under section 10 of article IX of the state constitution of 1963 and \$724,800,000.00 by \$1,407,850,000.00 and then subtracting 0.03.** The amount of the adjustment under this subsection shall be accomplished by reducing the payments under subsections (8) to (13), and payments under section 10 of article IX shall not be reduced based on any adjustments made under this subsection.

(8) Subject to section 13d, for the 1998-1999 through 2005-2006 state fiscal years and for the period of October 1, 2006 through September 30, 2007, for cities, villages, and townships with populations of less than 750,000, subject to the limitations under this section, a taxable value payment shall be made to each city, village, and township determined as follows:

(a) Determine the per capita taxable value for each city, village, and township by dividing the taxable value of that city, village, or township by the population of that city, village, or township.

(b) Determine the statewide per capita taxable value by dividing the total taxable value of all cities, villages, and townships by the total population of all cities, villages, and townships.

(c) Determine the per capita taxable value ratio for each city, village, and township by dividing the statewide per capita taxable value by the per capita taxable value for that city, village, or township.

(d) Determine the adjusted taxable value population for each city, village, and township by multiplying the per capita taxable value ratio as determined under subdivision (c) for that city, village, or township by the population of that city, village, or township.

(e) Determine the total statewide adjusted taxable value population which is the sum of all adjusted taxable value population for all cities, villages, and townships.

(f) Determine the taxable value payment rate by dividing 74.94% of 21.3% of the sales tax collections at a rate of 4% in the 12-month period ending June 30 of the state fiscal year in which the payments under this subsection are made by 3, and dividing that result by the total statewide adjusted taxable value population as determined under subdivision (e).

(g) Determine the taxable value payment for each city, village, and township by multiplying the result under subdivision (f) by the adjusted taxable value population for that city, village, or township.

(9) Subject to section 13d, for the 1998-1999 through 2005-2006 state fiscal years and for the period of October 1, 2006 through September 30, 2007, subject to the limitations under this section and except as provided in subsection (14), a unit type population payment shall be made to each city, village, and township with a population of less than 750,000 determined as follows:

(a) Determine the unit type population weight factor for each city, village, and township as follows:

(i) For a township with a population of 5,000 or less, the unit type population weight factor is 1.0.

(ii) For a township with a population of more than 5,000 but less than 10,001, the unit type population weight factor is 1.2.

(iii) For a township with a population of more than 10,000 but less than 20,001, the unit type population weight factor is 1.44.

(iv) For a township with a population of more than 20,000 but less than 40,001, the unit type population weight factor is 1.73.

(v) For a township with a population of more than 40,000 but less than 80,001, the unit type population weight factor is 2.07.

(vi) For a township with a population of more than 80,000, the unit type population weight factor is 2.49.

(vii) For a village with a population of 5,000 or less, the unit type population weight factor is 1.5.

(viii) For a village with a population of more than 5,000 but less than 10,001, the unit type population weight factor is 1.8.

(ix) For a village with a population of more than 10,000, the unit type population weight factor is 2.16.

(x) For a city with a population of 5,000 or less, the unit type population weight factor is 2.5.

(xi) For a city with a population of more than 5,000 but less than 10,001, the unit type population weight factor is 3.0.

(xii) For a city with a population of more than 10,000 but less than 20,001, the unit type population weight factor is 3.6.

(xiii) For a city with a population of more than 20,000 but less than 40,001, the unit type population weight factor is 4.32.

(xiv) For a city with a population of more than 40,000 but less than 80,001, the unit type population weight factor is 5.18.

(xv) For a city with a population of more than 80,000 but less than 160,001, the unit type population weight factor is 6.22.

(xvi) For a city with a population of more than 160,000 but less than 320,001, the unit type population weight factor is 7.46.

(xvii) For a city with a population of more than 320,000 but less than 640,001, the unit type population weight factor is 8.96.

(xviii) For a city with a population of more than 640,000, the unit type population weight factor is 10.75.

(b) Determine the adjusted unit type population for each city, village, and township by multiplying the unit type population weight factor for that city, village, or township as determined under subdivision (a) by the population of the city, village, or township.

(c) Determine the total statewide adjusted unit type population, which is the sum of the adjusted unit type population for all cities, villages, and townships.

(d) Determine the unit type population payment rate by dividing 74.94% of 21.3% of the sales tax collections at a rate of 4% in the 12-month period ending June 30 of the state fiscal year in which the payments under this subsection are made by 3, and then dividing that result by the total statewide adjusted unit type population as determined under subdivision (c).

(e) Determine the unit type population payment for each city, village, and township by multiplying the result under subdivision (d) by the adjusted unit type population for that city, village, or township.

(10) Subject to section 13d, for the 1998-1999 through 2005-2006 state fiscal years and for the period of October 1, 2006 through September 30, 2007, subject to the limitations under this section, a yield equalization payment shall be

made to each city, village, and township with a population of less than 750,000 sufficient to provide the guaranteed tax base for a local tax effort not to exceed 0.02. The payment shall be determined as follows:

(a) The guaranteed tax base is the maximum combined state and local per capita taxable value that can be guaranteed in a state fiscal year to each city, village, and township for a local tax effort not to exceed 0.02 if an amount equal to 74.94% of 21.3% of the state sales tax at a rate of 4% is distributed to cities, villages, and townships whose per capita taxable value is below the guaranteed tax base.

(b) The full yield equalization payment to each city, village, and township is the product of the amounts determined under subparagraphs (i) and (ii):

(i) An amount greater than zero that is equal to the difference between the guaranteed tax base determined in subdivision (a) and the per capita taxable value of the city, village, or township.

(ii) The local tax effort of the city, village, or township, not to exceed 0.02, multiplied by the population of that city, village, or township.

(c) The yield equalization payment is the full yield equalization payment divided by 3.

(11) For state fiscal years after the 1997-1998 state fiscal year, distributions under this section for cities, villages, and townships with populations of less than 750,000 shall be determined as follows:

(a) For the 1998-1999 state fiscal year, the payment under this section for each city, village, and township shall be the sum of the following:

(i) Ninety percent of the total amount available for distribution under subsections (8), (9), and (10) for the 1998-1999 state fiscal year multiplied by the city's, village's, or township's percentage share of the distributions under this section and section 12a minus the amount of a distribution under this section and section 12a to a city that is eligible to receive a distribution under subsection (6) in the 1997-1998 state fiscal year.

(ii) Ten percent of the total amount available for distribution under subsections (8), (9), and (10) for the 1998-1999 state fiscal year multiplied by the percentage share of the distribution amounts calculated under subsections (8), (9), and (10).

(b) For the 1999-2000 state fiscal year, the payment under this section for each city, village, and township shall be the sum of the following:

(i) Eighty percent of the total amount available for distribution under subsections (8), (9), and (10) for the 1999-2000 state fiscal year multiplied by the city's, village's, or township's percentage share of the distributions under this section and section 12a minus the amount of a distribution under this section and section 12a to a city that is eligible to receive a distribution under subsection (6) in the 1997-1998 state fiscal year.

(ii) Twenty percent of the total amount available for distribution under subsections (8), (9), and (10) for the 1999-2000 state fiscal year multiplied by the city's, village's, or township's percentage share of the distribution amounts calculated under subsections (8), (9), and (10).

(c) For the 2000-2001 state fiscal year, the payment under this section for each city, village, and township shall be the sum of the following:

(i) Seventy percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2000-2001 state fiscal year multiplied by the city's, village's, or township's percentage share of the distributions under this section and section 12a minus the amount of a distribution under this section and section 12a to a city that is eligible to receive a distribution under subsection (6) in the 1997-1998 state fiscal year.

(ii) Thirty percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2000-2001 state fiscal year multiplied by the percentage share of the distribution amounts calculated under subsections (8), (9), and (10).

(d) For the 2001-2002 state fiscal year, the payment under this section for each city, village, and township shall be the sum of the following:

(i) Sixty percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2001-2002 state fiscal year multiplied by the city's, village's, or township's percentage share of the distributions under this section and section 12a minus the amount of a distribution under this section and section 12a to a city that is eligible to receive a distribution under subsection (6) in the 1997-1998 state fiscal year.

(ii) Forty percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2001-2002 state fiscal year multiplied by the percentage share of the distribution amounts calculated under subsections (8), (9), and (10).

(e) For the 2002-2003 state fiscal year, the payment under this section for each city, village, and township shall be the sum of the following:

(i) Fifty percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2002-2003 state fiscal year multiplied by the city's, village's, or township's percentage share of the distributions under this section and section 12a minus the amount of a distribution under this section and section 12a to a city that is eligible to receive a distribution under subsection (6) in the 1997-1998 state fiscal year.

(ii) Fifty percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2002-2003 state fiscal year multiplied by the percentage share of the distribution amounts calculated under subsections (8), (9), and (10).

(f) For the 2003-2004 state fiscal year, the payment under this section for each city, village, and township shall be the sum of the following:

(i) Forty percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2003-2004 state fiscal year multiplied by the city's, village's, or township's percentage share of the distributions under this section and section 12a minus the amount of a distribution under this section and section 12a to a city that is eligible to receive a distribution under subsection (6) in the 1997-1998 state fiscal year.

(ii) Sixty percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2003-2004 state fiscal year multiplied by the percentage share of the distribution amounts calculated under subsections (8), (9), and (10).

(g) For the 2004-2005 state fiscal year, the payment under this section for each city, village, and township shall be the sum of the following:

(i) Thirty percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2004-2005 state fiscal year multiplied by the city's, village's, or township's percentage share of the distributions under this section and section 12a minus the amount of a distribution under this section and section 12a to a city that is eligible to receive a distribution under subsection (6) in the 1997-1998 state fiscal year.

(ii) Seventy percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2004-2005 state fiscal year multiplied by the percentage share of the distribution amounts calculated under subsections (8), (9), and (10).

(h) For the 2005-2006 state fiscal year, the payment under this section for each city, village, and township shall be the sum of the following:

(i) Twenty percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2005-2006 state fiscal year multiplied by the city's, village's, or township's percentage share of the distributions under this section and section 12a minus the amount of a distribution under this section and section 12a to a city that is eligible to receive a distribution under subsection (6) in the 1997-1998 state fiscal year.

(ii) Eighty percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2005-2006 state fiscal year multiplied by the percentage share of the distribution amounts calculated under subsections (8), (9), and (10).

(i) For the period of October 1, 2006 through September 30, 2007, the payment under this section for each city, village, and township shall be the sum of the following:

(i) Ten percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2006-2007 state fiscal year multiplied by the city's, village's, or township's percentage share of the distributions under this section and section 12a minus the amount of a distribution under this section and section 12a to a city that is eligible to receive a distribution under subsection (6) in the 1997-1998 state fiscal year.

(ii) Ninety percent of the total amount available for distribution under subsections (8), (9), and (10) for the 2006-2007 state fiscal year multiplied by the percentage share of the distribution amounts calculated under subsections (8), (9), and (10).

(12) Except as otherwise provided in this subsection, the total payment to any city, village, or township under this act and section 10 of article IX of the state constitution of 1963 shall not increase by more than 8% over the amount of the payment under this act and section 10 of article IX of the state constitution of 1963 in the immediately preceding state fiscal year. From the amount not distributed because of the limitation imposed by this subsection, the department shall distribute an amount to certain cities, villages, and townships such that the percentage increase in the total payment under this act and section 10 of article IX of the state constitution of 1963 from the immediately preceding state fiscal year to each of those cities, villages, and townships is equal to, but does not exceed, the percentage increase from the immediately preceding state fiscal year of any city, village, or township that does not receive a distribution under this subsection. This subsection does not apply for state fiscal years after the 2000 federal decennial census becomes official to a city, village, or township with a 10% or more increase in population from the official 1990 federal decennial census to the official 2000 federal decennial census.

(13) The percentage allocations to distributions under subsections (8) to (10) pursuant to subsection (11) shall be calculated as if, in any state fiscal year, the amount appropriated under this section for distribution to cities, villages, and townships is 74.94% of 21.3% of the sales tax at a rate of 4%. If the amount appropriated under this section to cities, villages, and townships is less than 74.94% of 21.3% of the sales tax at a rate of 4%, any reduction made necessary by this appropriation in distributions to cities, villages, and townships shall first be applied to the distribution under subsections (8) to (10) and any remaining amount shall be applied to the other distributions under this section.

(14) A township that provides for or makes available fire, police on a 24-hour basis either through contracting for or directly employing personnel, water to 50% or more of its residents, and sewer services to 50% or more of its residents and has a population of 10,000 or more or a township that has a population of 20,000 or more shall use the unit type population weight factor under subsection (9)(a) for a city with the same population as the township.

(15) For a state fiscal year in which the sales tax collections decrease from the sales tax collections for the immediately preceding state fiscal year, the department shall reduce the amount to be distributed to a city with a



population of 750,000 or more under subsection (6) by an amount determined by subtracting the amount the city is eligible for under section 10 of article IX of the state constitution of 1963 for the state fiscal year from \$333,900,000.00 and multiplying that result by the same percentage as the percentage decrease in sales tax collections for that state fiscal year as compared to sales tax collections for the immediately preceding state fiscal year. This subsection does not apply to the 2002-2003 and 2003-2004 state fiscal year years.

(16) Notwithstanding any other provision of this section for the 1998-1999 state fiscal year, the total combined amount received by each city, village, and township under this section and section 10 of article IX of the state constitution of 1963 shall not be less than the combined amount received under this section, section 12a, and section 10 of article IX of the state constitution of 1963 in the 1997-1998 state fiscal year. The increase, if any, for each city, village, and township from the 1997-1998 state fiscal year, other than a city that receives a distribution under subsection (6), shall be reduced by a uniform percentage to the extent necessary to fund distributions under this subsection.

(17) The payments under subsections (3), (4), and (5) shall be made during each October, December, February, April, June, and August. Payments under subsections (3), (4), and (5) shall be based on collections from the sales tax at the rate of 4% in the 2-month period ending the prior August 31, October 31, December 31, February 28, April 30, and June 30, and for the 1996-1997 and 1997-1998 state fiscal years only, the payments shall be reduced by 1/6 of the total distribution for the state fiscal year under section 12a.

(18) Payments under this section shall be made from revenues collected during the state fiscal year in which the payments are made.

(19) Distributions provided for by this act are subject to an annual appropriation by the legislature.

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to amend 1971 PA 140, entitled "An act to provide for the distribution of certain state revenues to cities, villages, townships, and counties; to impose certain duties and confer certain powers on this state, political subdivisions of this state, and the officers of both; to create reserve funds; and to establish a revenue sharing task force and provide for its powers and duties," by amending sections 11 and 13 (MCL 141.911 and 141.913), as amended by 2002 PA 679.

Shirley Johnson  
Kenneth R. Sikkema  
Robert L. Emerson  
Conferees for the Senate

Mike Pumford  
John Pappageorge  
Gretchen Whitmer  
Conferees for the House

Pending the order that, under joint rule 9, the conference report be laid over one day,

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 conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 407**

**Yeas—30**

Allen	Cassis	Goschka	Prusi
Barcia	Cherry	Hammerstrom	Sanborn
Basham	Clark-Coleman	Hardiman	Schauer
Bernero	Cropsey	Jacobs	Sikkema
Birkholz	Emerson	Johnson	Stamas
Bishop	Garcia	Kuipers	Switalski
Brater	George	McManus	Van Woerkom
Brown	Gilbert		

**Nays—2**

Patterson

Toy

**Excused—5**

Clarke  
Jelinek

Leland

Scott

Thomas

**Not Voting—1**

Olshove

In The Chair: Sanborn

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.

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

Senator Olshove entered the Senate Chamber.

Senator Hammerstrom moved that the following bill be given immediate effect:

**Senate Bill No. 270**

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

**Recess**

Senator Hammerstrom moved that the Senate recess subject to the call of the Chair. The motion prevailed, the time being 3:01 p.m.

3:16 p.m.

The Senate was called to order by the Assistant President pro tempore, Senator Sanborn.

Senator Thomas entered the Senate Chamber.

By unanimous consent the Senate proceeded to the order of

**Statements**

Senator Thomas stated that had he been present when the vote was taken on the adoption of the conference report relative to the following bill, he would have voted "yea":

**Senate Bill No. 575**

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

The motion prevailed.

Senator Hammerstrom moved that rule 3.506 be suspended to permit Senator Goschka to submit a statement in writing for inclusion in today's Journal.

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

Senator Goschka's statement, in which Senator Stamas concurred, is as follows:

With a great degree of sadness, but with tremendous honor, it is our pleasure to announce that a very good and dear friend of ours, Pastor Dave Buckley, of Calvary Baptist Church of Midland, has accepted the call to become senior pastor of Cross Lanes Bible Church in Charleston, West Virginia. Pastor Dave's last official day of service at Calvary Baptist Church was June 22, 2003.

Dave Buckley was born on May 13, 1958, in Philadelphia, Pennsylvania, into a family where both parents were committed Christians. At age five, he received Christ as his Savior, and at age ten was baptized as a testimony of his personal faith in the risen Christ. Just before his tenth grade year, his family moved to Denver, Colorado, where he sensed God's call in life to ministry. He prepared for that call by attending Bob Jones University in Greenville, South Carolina.

On December 21, 1979, Dave married his high school sweetheart, Jeanne, who had grown up in a missionary's home. Together, they have ministered side-by-side and have raised three beautiful children, Holly, Jeremy, and Jason, each of whom has come to receive Christ and walk closely with Him. Dave is very thankful for a godly, loving wife and family.

In 1981, after graduating from college, God directed the Buckley family to Calvary Baptist Church in Midland, Michigan. Pastor Dan Dickerson, the senior pastor of Calvary, had been Dave's youth pastor while he was a student in Denver. Dave had the privilege of serving Calvary Baptist Church as youth pastor from 1981-1989 and as associate pastor from 1989-2003.

In 1995, Dave decided to attend Northland Baptist Bible College to complete his Master's Degree, which he received in 1998. He was then awarded the Doctorate of Sacred Ministry Degree on May 11, 2002, from Northland. Dave has never placed emphasis on position or titles, but rather, upon proper preparation for doing the work of ministry.

Dave Buckley loves the Lord Jesus Christ with all of his heart. He has worked tirelessly to bring others to personal faith in the Savior. Dave Buckley has touched thousands of lives and has made a difference for the Name of Christ. We will miss our dear friend.

Senator Cropsey's statement is as follows:

I have in front of me a listing that shows nine circuit courts in the United States as far as where there are vacancies in the federal circuits. Michigan is tied for having the most vacancies available. But I think it's important to note that in terms of the length of the vacancies, Michigan is alone. We have the longest vacancy of any of the courts. There has been one of the seats there that has been vacant for over eight years. Judge Damon Keith retired May 1, 1995, and his seat has not been filled. Today is 3,000 days that that seat has been vacant, and it's just a tragedy because that should have been filled by a Michigan citizen, a Michigan lawyer, or a Michigan judge—should be represented there on the Court of Appeals in Cincinnati.

Now we still have our two United States Senators by a procedural motion withholding the rights of the people of this state to be adequately represented on that court. Not only is there a vacancy that's been eight and one-half years in length, there has been another vacancy that's over four years in length; another vacancy two and one-half years in length; and another vacancy that is two years in length. I think United States Senators Stabenow and Levin need to give an answer to the people of this state why they are prohibiting the United States Senate from going forward in filling the vacancies in a circuit that is in a judicial emergency, especially when you consider that these vacancies are up to eight years in length overdue.

Senator Garcia's statement is as follows:

I rise with a bit of sad news, and that's why I asked for the body's attention. As we know, with the war in Iraq, the major portion of the fighting is over, however, we continue to have to deal with casualties. Unfortunately, earlier this week, in my district we lost another soldier. His name was Captain Paul J. Cassidy, and he was only 36 years old. Despite being a reservist, he had seen quite a bit of action around the world in different parts of the world—Europe, Middle East—and he had gone back again for the fourth time. He was from Laingsburg, Michigan, a town where I went to school back in my high school days.

I bring this to the attention of the body because despite the fact that we're dealing with important problems and important issues here, the fact remains that we have American men and women in harm's way overseas, and we continue to pay the price. I just want to remind my good colleagues and all of us who work here that we should be grateful again for Americans who are willing to go do their duty. Captain Cassidy was doing basically humanitarian work, providing blankets and food and water for all the people who needed it, and he died as the result of an accident, which is still under investigation.

Again, it is my sad duty to report the fact that Captain Cassidy is the twelfth soldier from Michigan who has been lost in this conflict. So, again, I wish that we could pay our respects and remember and be grateful that we have great Americans who are willing to put their lives in the line of duty for us.

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

**Senate Bill No. 365, entitled**

A bill to amend 1979 PA 94, entitled “The state school aid act of 1979,” by amending section 94a (MCL 388.1694a), as amended by 2002 PA 521.

The House of Representatives has substituted (H-1) the bill.

The House of Representatives has passed the bill as substituted (H-1), ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

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

**Recess**

Senator Hammerstrom moved that the Senate recess subject to the call of the Chair.  
 The motion prevailed, the time being 3:24 p.m.

3:33 p.m.

The Senate was called to order by the Assistant President pro tempore, Senator Sanborn.

**Senate Bill No. 314, entitled**

A bill to allow the state to amend certain deeds.

The House of Representatives has substituted (H-2) the bill.

The House of Representatives has passed the bill as substituted (H-2), ordered that it be given immediate effect and amended the title to read as follows:

A bill to allow the state to acquire and convey land in Marquette county; to allow the state to transfer certain property in Ingham county; and to allow the state to convey the state’s interest in certain property in Grand Traverse county.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Hammerstrom moved that the rule be suspended.

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

Senator Hammerstrom moved that Senator Toy be excused from the balance of today’s session.  
 The motion prevailed.

The question being on concurring in the substitute made to the bill by the House,  
 The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 408**

**Yeas—32**

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

**Nays—1**

Bernero

**Excused—5**Clarke  
Jelinek

Leland

Scott

Toy

**Not Voting—0**

In The Chair: Sanborn

Senator Schauer moved that Senator Clark-Coleman be excused from the balance of today's session.  
The motion prevailed.

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

By unanimous consent the Senate returned to the order of

**Resolutions****House Concurrent Resolution No. 26.**

A concurrent resolution prescribing the legislative schedule.

Resolved by the House of Representatives (the Senate concurring), That when the House of Representatives adjourns on Thursday, July 17, 2003, it stands adjourned until Wednesday, August 13, 2003, and when the House of Representatives adjourns on Wednesday, August 13, 2003, it stands adjourned until Tuesday, September 23, 2003; and be it further

Resolved, That when the Senate adjourns on Thursday, July 17, 2003, it stands adjourned until Wednesday, August 13, 2003, and when the Senate adjourns on Wednesday, August 13, 2003, it stands adjourned until Tuesday, September 16, 2003.

The House of Representatives has adopted the concurrent resolution.

Pending the order that, under rule 3.204, the concurrent 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 concurrent resolution was adopted.

**Recess**

Senator Hammerstrom moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 3:39 p.m.

3:51 p.m.

The Senate was called to order by the Assistant President pro tempore, Senator Sanborn.

By unanimous consent the Senate returned to the order of

**Messages from the House**

Senator Hammerstrom moved that the enrollment be vacated on the following bill:

**Senate Bill No. 289, entitled**

An act to amend 1994 PA 451, entitled "An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural

resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts," by amending sections 32701, 32705, 32707, 32708, and 32714 (MCL 324.32701, 324.32705, 324.32707, 324.32708, and 324.32714), sections 32701, 32707, and 32708 as amended and section 32714 as added by 1996 PA 434 and section 32705 as added by 1995 PA 59, and by adding part 328.

The motion prevailed.

Senator Hammerstrom moved to reconsider the vote by which the House substitute was concurred in.

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

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

Senators Birkholz, McManus and Patterson offered the following amendment to the substitute:

1. Amend page 13, line 17, by striking out all of enacting section 1.

The amendment to the substitute was adopted.

The question being on concurring in the House substitute, as amended,

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

**Roll Call No. 409**

**Yeas—30**

Allen	Cherry	Jacobs	Sanborn
Basham	Cropsey	Johnson	Schauer
Bernero	Garcia	Kuipers	Sikkema
Birkholz	George	McManus	Stamas
Bishop	Gilbert	Olshove	Switalski
Brater	Goschka	Patterson	Thomas
Brown	Hammerstrom	Prusi	Van Woerkom
Cassis	Hardiman		

**Nays—0**

**Excused—6**

Clark-Coleman	Jelinek	Scott	Toy
Clarke	Leland		

**Not Voting—2**

Barcia	Emerson
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In The Chair: Sanborn

**Senate Bill No. 270, entitled**

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2004; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

(For Conference Report, see p. 1491.)

The House of Representatives has adopted the report of the Committee of Conference.

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

**Senate Bill No. 575, entitled**

A bill to amend 1971 PA 140, entitled "Glenn Steil state revenue sharing act of 1971," by amending sections 11 and 13 (MCL 141.911 and 141.913), as amended by 2002 PA 679.

(For Conference Report, see p. 1531.)

The House of Representatives has adopted the report of the Committee of Conference.

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

**Recess**

Senator Hammerstrom moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 3:59 p.m.

4:14 p.m.

The Senate was called to order by the Assistant President pro tempore, Senator Sanborn.

Senator Hammerstrom moved that the enrollment be vacated on the following bill:

**Senate Bill No. 539, entitled**

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, critical 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 10 (MCL 247.660), as amended by 2000 PA 188.

The motion prevailed.

Senator Hammerstrom moved to reconsider the vote by which the House substitute was concurred in.

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

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

Senator Sikkema offered the following amendments to the substitute:

1. Amend page 4, line 18, after "(d)" by striking out "**Before October 1, 2004, all the revenue**" and inserting "Revenue".

2. Amend page 4, line 20, after "section 11." by striking out the balance of the subdivision.

The amendments to the substitute were adopted.

The question being on concurring in the House substitute, as amended,

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

**Roll Call No. 410****Yeas—31**

Allen  
Barcia  
Basham

Cassis  
Cherry  
Cropsey

Hammerstrom  
Hardiman  
Jacobs

Sanborn  
Schauer  
Sikkema

Bernero  
Birkholz  
Bishop  
Brater  
Brown

Emerson  
Garcia  
George  
Gilbert  
Goschka

Johnson  
McManus  
Olshove  
Patterson  
Prusi

Stamas  
Switalski  
Thomas  
Van Woerkom

**Nays—0**

**Excused—6**

Clark-Coleman  
Clarke

Jelinek  
Leland

Scott

Toy

**Not Voting—1**

Kuipers

In The Chair: Sanborn

**Recess**

Senator Hammerstrom moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 4:21 p.m.

4:46 p.m.

The Senate was called to order by the Assistant President pro tempore, Senator Sanborn.

By unanimous consent the Senate returned to the order of

**Statements**

Senators Birkholz and Hammerstrom asked and was granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Birkholz's statement is as follows:

I would like to thank my colleagues. On the consent calendar on Tuesday, Senate Resolution No. 132 was adopted, and I would like to take this opportunity to say thank you very much for doing a very good thing.

You took the opportunity to add to the public lands of Michigan a totally undeveloped parcel of property in my Allegan County area. It's property that remains the same as it was when our Native Americans walked through it on moccasin and bare feet; and property that remains the same as it was when Father Marquette canoed our Great Lakes waters.

It is truly a treasure of critical dunes, interdunal wetlands, forest, and many rare and endangered species. Our local community has the opportunity—and it is an opportunity—to raise \$5 million over the next seven months, coupled with the commitment from the trust fund to add to that \$10 million over three years and add this property to public lands. It will be a gem of beach land which is opened to the public, and I invite all of you to come and visit it and see what a rare opportunity we've had.

I want to thank you for joining me in nominating the Dennison land for purchase by the land trust fund and the locals who are going to work hard to keep it and be the stewards that we know it will need over the next several hundred years. Thank you!



Senator Hammerstrom's statement is as follows:

I would like to make a statement and offer a special tribute to Kristine Howell, one of our central staff employees who is going to be leaving us during the summer and will not be here when we return in September or on the 13th of August, whichever comes first. Kristine has been our Session Journal Clerk and has been involved in our daily session here in the Senate and recording all the actions, which sometimes can be a little difficult to follow. She has done a great job on that and has shown a lot of professionalism and effectiveness in a very responsible leadership position. I know that we are going to miss her.

Kristine and her daughter Kaylin are going to be relocating to Kalamazoo, and before they go, I would like all the members of this body to join me in thanking her for the service she has done here in the Senate and to wish her well in her future endeavors.

### Recess

Senator Hammerstrom moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 4:51 p.m.

5:21 p.m.

The Senate was called to order by the Assistant President pro tempore, Senator Sanborn.

Senator Hammerstrom moved that Senator Garcia be excused from the balance of today's session.  
The motion prevailed.

By unanimous consent the Senate returned to the order of

### Messages from the House

#### Senate Bill No. 561, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 11507a, 11512, 11516, 11525, 11525a, and 11550 (MCL 324.11507a, 324.11512, 324.11516, 324.11525, 324.11525a, and 324.11550), section 11507a as added by 1996 PA 359, sections 11512 and 11516 as amended and sections 11525a and 11550 as added by 1996 PA 358, and section 11525 as amended by 1996 PA 506.

The House of Representatives has substituted (H-1) the bill.

The House of Representatives has passed the bill as substituted (H-1), ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Hammerstrom moved that the rule be suspended.

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

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

Senator McManus offered the following amendments to the substitute:

1. Amend page 14, line 25, after "**pay**" by striking out "**an annual**" and inserting "**a**".
2. Amend page 15, line 3, after "**previous**" by inserting "**quarter of the**".
3. Amend page 15, line 5, after "**following**" by inserting "**annual**".
4. Amend page 15, line 17, after "**surcharge**" by striking out the balance of the subsection and inserting "**under subsection (6)(a) within 30 days after the end of each quarter of the state fiscal year. The owner or operator of a type III landfill that is a captive facility shall pay the surcharge under subsection (6)(b) by January 31 of each year.**".

The amendments to the substitute were adopted

The question being on concurring in the House substitute, as amended,

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

#### Roll Call No. 411

Yeas—28

Allen  
Barcia  
Basham

Brown  
Cassis  
Cherry

Hammerstrom  
Hardiman  
Jacobs

Prusi  
Schauer  
Sikkema

Bernero  
Birkholz  
Bishop  
Brater

Cropsey  
George  
Gilbert  
Goschka

Johnson  
Kuipers  
McManus  
Olshove

Stamas  
Switalski  
Thomas  
Van Woerkom

**Nays—2**

Patterson

Sanborn

**Excused—7**

Clark-Coleman  
Clarke

Garcia  
Jelinek

Leland  
Scott

Toy

**Not Voting—1**

Emerson

In The Chair: Sanborn

The question being on concurring in the committee recommendation to give the bill immediate effect,  
The recommendation was concurred in, 2/3 of the members serving voting therefor.  
The Senate agreed to the full title.

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

**Senate Bill No. 540, entitled**

A bill to make, supplement, and adjust appropriations for capital outlay and certain state departments and agencies for the fiscal year ending September 30, 2003 and the fiscal year ending September 30, 2004; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

The House of Representatives has substituted (H-2) the bill.

The House of Representatives has passed the bill as substituted (H-2) and ordered that it be given immediate effect.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Hammerstrom moved that the rule be suspended.

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

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

Senator Patterson offered the following amendments to the substitute:

1. Amend page 6, line 6, by striking out all of subsection (4).
2. Amend page 22, line 20, by striking out all of section 251.

The amendments to the substitute were not adopted.

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

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

**Roll Call No. 412**

**Yeas—29**

Allen  
Barcia  
Basham

Cassis  
Cherry  
Cropsey

Hardiman  
Jacobs  
Johnson

Sanborn  
Schauer  
Sikkema

Bernero  
Birkholz  
Bishop  
Brater  
Brown

George  
Gilbert  
Goschka  
Hammerstrom

Kuipers  
McManus  
Olshove  
Prusi

Stamas  
Switalski  
Thomas  
Van Woerkom

**Nays—1**

Patterson

**Excused—8**

Clark-Coleman  
Clarke

Emerson  
Garcia

Jelinek  
Leland

Scott  
Toy

**Not Voting—0**

In The Chair: Sanborn

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

**Senate Bill No. 289, entitled**

An act to amend 1994 PA 451, entitled “An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts,” by amending sections 32701, 32705, 32707, 32708, and 32714 (MCL 324.32701, 324.32705, 324.32707, 324.32708, and 324.32714), sections 32701, 32707, and 32708 as amended and section 32714 as added by 1996 PA 434 and section 32705 as added by 1995 PA 59, and by adding part 328.

The House of Representatives has concurred in the Senate amendments to the House substitute (H-2).  
The bill was referred to the Secretary for enrollment printing and presentation to the governor.

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

The following bill was read a third time:

**Senate Bill No. 334, entitled**

A bill 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, critical 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 1999 PA 54.

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. 413**

**Yeas—30**

Allen	Cassis	Jacobs	Sanborn
Barcia	Cherry	Johnson	Schauer
Basham	Cropsey	Kuipers	Sikkema
Bernero	George	McManus	Stamas
Birkholz	Gilbert	Olshove	Switalski
Bishop	Goschka	Patterson	Thomas
Brater	Hammerstrom	Prusi	Van Woerkom
Brown	Hardiman		

**Nays—0**

**Excused—8**

Clark-Coleman	Emerson	Jelinek	Scott
Clarke	Garcia	Leland	Toy

**Not Voting—0**

In The Chair: Sanborn

The Senate agreed to the title of the bill.

**Recess**

Senator Hammerstrom moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 5:34 p.m.

5:45 p.m.

The Senate was called to order by the Assistant President pro tempore, Senator Sanborn.



6:11 p.m.

The Senate was called to order by the Assistant President pro tempore, Senator Sanborn.

**Senate Bill No. 539, entitled**

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, critical 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 10 (MCL 247.660), as amended by 2000 PA 188.

The House of Representatives has concurred in the Senate amendments to the House substitute (H-3).

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

**Senate Bill No. 561, entitled**

A bill to amend 1994 PA 451, entitled "An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts," by amending sections 11507a, 11512, 11516, 11525, 11525a, and 11550 (MCL 324.11507a, 324.11512, 324.11516, 324.11525, 324.11525a, and 324.11550), section 11507a as added by 1996 PA 359, sections 11512 and 11516 as amended and sections 11525a and 11550 as added by 1996 PA 358, and section 11525 as amended by 1996 PA 506.

The House of Representatives has concurred in the Senate amendments to the House substitute (H-1).

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

**House Bill No. 4087, entitled**

An act to amend 1994 PA 451, entitled "An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts," (MCL 324.101 to 324.90106) by adding part 317.

The House of Representatives has amended the Senate substitute (S-4) as follows:

1. Amend page 14, line 15, by striking out all of enacting section 1.

The House of Representatives has concurred in the Senate substitute (S-4) as amended.

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

**Senate Bill No. 393, entitled**

A bill to amend 1976 PA 451, entitled “The revised school code,” by amending the title and sections 5, 501, 502, 503, 504, 504a, 506, and 507 (MCL 380.5, 380.501, 380.502, 380.503, 380.504, 380.504a, 380.506, and 380.507), the title and sections 501, 502, 503, 504a, and 507 as amended by 1995 PA 289, section 5 as amended by 1999 PA 23, section 504 as amended by 1994 PA 416, and section 506 as added by 1993 PA 362, and by adding sections 503b and 1320 and part 6c.

The House of Representatives has substituted (H-5) the bill.

The House of Representatives has passed the bill as substituted (H-5), ordered that it be given immediate effect and amended the title to read as follows:

A bill 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, and intermediate school districts; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, and intermediate school districts; 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,” by amending the title and sections 5, 501, and 504a (MCL 380.5, 380.501, and 380.504a), the title and sections 501 and 504a as amended by 1995 PA 289 and section 5 as amended by 1999 PA 23, and by adding section 503b and part 6c.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Hammerstrom moved that the rule be suspended.

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

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

The substitute was not concurred in, a majority of the members serving not voting therefor, as follows:

**Roll Call No. 415**

**Yeas—0**

**Nays—29**

Allen	Cassis	Hardiman	Sanborn
Barcia	Cherry	Jacobs	Schauer
Basham	Cropsey	Kuipers	Sikkema
Bernero	George	McManus	Stamas
Birkholz	Gilbert	Olshove	Switalski
Bishop	Goschka	Patterson	Thomas
Brater	Hammerstrom	Prusi	Van Woerkom
Brown			

**Excused—7**

Clark-Coleman	Garcia	Leland	Toy
Clarke	Jelinek	Scott	

**Not Voting—2**

Emerson	Johnson
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In The Chair: Sanborn

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

The following communication was received and read:  
Office of the Senate Majority Leader

July 17, 2003

Pursuant to Joint Rule 3(a), I have made the following appointments to the Conference Committee on Senate Bill 393:  
Senator Kuipers, Senator Sikkema and Senator Emerson

Respectfully yours,  
Ken Sikkema  
Senate Majority Leader

The communication was referred to the Secretary for record.

Senator Hammerstrom moved that, pursuant to rule 1.114, upon receipt of Senate bills returned from the House of Representatives, the Secretary of the Senate be directed to proceed with the enrollment printing and presentation of the bills to the Governor.

The motion prevailed.

### **Committee Reports**

#### **COMMITTEE ATTENDANCE REPORT**

The Conference Committee on Environmental Quality (HB 4393) submitted the following:  
Meeting held on Tuesday, July 15, 2003, at 9:10 a.m., Room 428, Capitol Building  
Present: Senators McManus and Goschka  
Excused: Senator Barcia

#### **COMMITTEE ATTENDANCE REPORT**

The Conference Committee on Natural Resources (HB 4400) submitted the following:  
Meeting held on Tuesday, July 15, 2003, at 9:20 a.m., Room 428, Capitol Building  
Present: Senators McManus and Johnson  
Excused: Senator Barcia

#### **COMMITTEE ATTENDANCE REPORT**

The Conference Committee on Revenue Sharing (SB 575) submitted the following:  
Meeting held on Wednesday, July 16, 2003, at 10:30 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building  
Present: Senators Johnson (C), Sikkema and Emerson

#### **COMMITTEE ATTENDANCE REPORT**

The Conference Committee on General Government (SB 270) submitted the following:  
Meeting held on Wednesday, July 16, 2003, at 1:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building  
Present: Senators Garcia (C), McManus and Switalski

### **Scheduled Meetings**

**Transportation** - Monday, July 28, 2:00 p.m., Public Meeting Room, Port Huron Municipal Offices, 100 McMorran Boulevard, Port Huron (373-7708)



Senator Hammerstrom moved that the Senate adjourn.  
The motion prevailed, the time being 6:29 p.m.

Pursuant to House Concurrent Resolution No. 26, the Assistant President pro tempore, Senator Sanborn, declared the Senate adjourned until Wednesday, August 13, 2003, at 10:00 a.m.

CAROL MOREY VIVENTI  
Secretary of the Senate

