

No. 92
STATE OF MICHIGAN
Journal of the Senate
93rd Legislature
REGULAR SESSION OF 2005

Senate Chamber, Lansing, Wednesday, October 19, 2005.

10:00 a.m.

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

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

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

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

Reverend Iris Cotton of Fearless Faith Church Ministries of Lansing offered the following invocation:

Father, God of Heaven and Earth, the sustainer and ruler of all flesh, we beseech Ye this morning on behalf of Your people. God, we ask that You would lead them and guide them. Orchestrate their thoughts, God, making right decisions. God, all that is in authority, we come to just bless You today and pray that You will direct our path, our minds, and our hearts. Amen.

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

Motions and Communications

Senators Bishop and Birkholz entered the Senate Chamber.

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

Senate Bill No. 246

Senate Bill No. 318

The motion prevailed.

Senator Hammerstrom moved that Senators Brown, Van Woerkom and Goschka be temporarily excused from today's session.

The motion prevailed.

Senator Schauer moved that Senators Barcia, Cherry and Thomas be temporarily excused from today's session.

The motion prevailed.

Senators Brown, Thomas, Cherry, Goschka, Kuipers, Van Woerkom, Brater and Barcia entered the Senate Chamber.

The following communications were received and read:

Office of the Senate Majority Leader

October 18, 2005

Pursuant to Senate Rule 2.104(c), I am requesting that the Senate Appropriations Committee hold a hearing on the appointments of Leola Wilson and David Abbs to the Saginaw Valley State University Board of Control and make a written recommendation to the Government Operations Committee on these appointments.

October 18, 2005

Pursuant to Senate Rule 3.203b, I am hereby re-referring Senate Bill 814 from the Transportation Committee to the Technology and Energy Committee.

Sincerely,
Ken Sikkema
Senate Majority Leader

The communications were referred to the Secretary for record.

The following communication was received:

Department of Labor and Economic Growth

July 1, 2005

In accordance with Public Act 304 of 1982, the attached 2004 Annual Report for the Michigan Utility Consumer Representation Fund is transmitted to the Legislature.

The state's six largest utilities were required, under this Act, to contribute a total of \$988,350 to fund intervention participation in cost increase and reconciliation cases filed by utilities with the Michigan Public Service Commission. 47.5% of the revenue is allocated to fund intervenor grants, 47.5% of the revenue is allocated to the Department of Attorney General, and the remaining 5% is available for administrative costs.

The Utility Consumer Participation Board grant recipients reported cost savings or benefits impacting 2004 in the amount of \$90,502,670 as a result of case efforts before the Michigan Public Service Commission and the courts. This action was a result of intervention and case efforts either by grantees alone, or in conjunction with other parties before

the Michigan Public Service Commission, Courts of record, or agencies of the Federal Government. The Utility Consumer Participation Board awarded \$417,500 for calendar year 2004. The Attorney General's Office expended \$395,380 in calendar year 2004 for intervention by that Office on behalf of the utility ratepayers of Michigan. The Attorney General's Office will send its P.A. 304 Annual Report under separate cover.

Sincerely,
Dr. Harry M. Trebing, Chair
Utility Consumer Participation Board

The communication was referred to the Secretary for record.

The Secretary announced that the following House bill was received in the Senate and filed on Tuesday, October 18:
House Bill No. 4420

Messages from the Governor

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

Senate Bill No. 272
Senate Bill No. 271
Senate Bill No. 264
Senate Bill No. 274
Senate Bill No. 281

The motion prevailed.

The following messages from the Governor were received and read:

October 18, 2005

I respectfully submit to the Senate, pursuant to Section 6 of Article 5 of the Michigan Constitution of 1963, the following appointment to state office under Sections 16121 and 16621 of the Public Health Code, 1978 PA 368, MCL 333.16121 and 333.16621:

Michigan Board of Dentistry

Ms. Rosetta Sanders of 190 Oneita Street, Battle Creek, Michigan 49017, county of Calhoun, succeeding Colleen M. McClorey, whose term has expired, representing the general public, for a term commencing October 18, 2005 and expiring June 30, 2008.

October 18, 2005

I respectfully submit to the Senate, pursuant to Section 6 of Article 5 of the Michigan Constitution of 1963, the following appointments to state office under Section 3 of the Older Michigianians Act, 1981 PA 180, MCL 400.583:

Commission on Services to the Aging

Ms. Cheryl J. Bollinger, a Democrat, of 571 North Eifert, Mason, Michigan 48854, county of Ingham, succeeding Jewel C. Ware, whose term has expired, appointed for a term commencing October 18, 2005 and expiring July 28, 2008.

Ms. Annette C. Guilfoyle, an Independent, of 319 College Avenue, S.E., Grand Rapids, Michigan 49503, county of Kent, succeeding Dona J. Wishart, whose term has expired, appointed for a term commencing October 18, 2005 and expiring July 28, 2008.

Mr. Chun-Keung Leung, an Independent, of 1470 Highmoor Way, Bloomfield Hills, Michigan 48302, county of Oakland, succeeding Liana Bachand, whose term has expired, appointed for a term commencing October 18, 2005 and expiring July 28, 2008.

Mr. Thomas G. Rau, a Republican, of 8787 Tamarack Drive, Brighton, Michigan 48116, county of Livingston, succeeding Christina L. Clark, whose term has expired, appointed for a term commencing October 18, 2005 and expiring July 28, 2008.

Mr. William H. Walters II, a Republican, of 4108 Second Street, P.O. Box 221, Brown City, Michigan 48416, county of Sanilac, succeeding Robert W. Litkke, whose term has expired, appointed for a term commencing October 18, 2005 and expiring July 28, 2008.

Sincerely,
Jennifer M. Granholm
Governor

The appointments were referred to the Committee on Government Operations.

By unanimous consent the Senate proceeded to the order of
General Orders

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

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

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

Senate Bill No. 789, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 5204 (MCL 324.5204), as added by 2002 PA 397.

Senate Bill No. 790, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 5201 (MCL 324.5201), as added by 2002 PA 397.

House Bill No. 5110, entitled

A bill to amend 1973 PA 116, entitled "An act to provide for the protection of children through the licensing and regulation of child care organizations; to provide for the establishment of standards of care for child care organizations; to prescribe powers and duties of certain departments of this state and adoption facilitators; to provide penalties; and to repeal acts and parts of acts," by amending section 1 (MCL 722.111), as amended by 2002 PA 696.

Senate Bill No. 799, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 5301 (MCL 324.5301), as amended by 2002 PA 397.

Senate Bill No. 800, entitled

A bill to amend 1985 PA 227, entitled "Shared credit rating act," (MCL 141.1051 to 141.1076) by adding section 16d.

House Bill No. 4997, entitled

A bill to amend 1996 PA 354, entitled "Savings bank act," by repealing section 514 (MCL 487.3514).

House Bill No. 4998, entitled

A bill to amend 1980 PA 307, entitled "Savings and loan act of 1980," by repealing section 1135 (MCL 491.1135).

House Bill No. 4999, entitled

A bill to amend 2003 PA 215, entitled "Credit union act," by repealing section 307 (MCL 490.307).

House Bill No. 5000, entitled

A bill to amend 1999 PA 276, entitled "Banking code of 1999," by repealing section 4406 (MCL 487.14406).
The bills were placed on the order of Third Reading of Bills.

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

House Bill No. 4572, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 5204 (MCL 324.5204), as added by 2002 PA 397.

Substitute (S-5).

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

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:
House Bill No. 4573, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 19708 (MCL 324.19708), as added by 2002 PA 397.

Substitute (S-3).

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

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:
Senate Bill No. 308, entitled

A bill to amend 1978 PA 33, entitled "An act to prohibit the dissemination, exhibiting, or displaying of certain sexually explicit matter to minors; to prohibit certain misrepresentations facilitating the dissemination of sexually explicit matter to minors; to provide penalties; to provide for declaratory judgments and injunctive relief in certain instances; to impose certain duties upon prosecuting attorneys and the circuit court; to preempt local units of government from proscribing certain conduct; and to repeal certain acts and parts of acts," by amending section 6 (MCL 722.676), as amended by 2003 PA 192.

Substitute (S-1).

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

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:
House Bill No. 4133, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 1831 (MCL 600.1831), as amended by 1984 PA 29.

Substitute (S-1).

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

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:
Senate Bill No. 736, entitled

A bill to amend 1846 RS 171, entitled "Of county jails and the regulation thereof," by amending sections 4 and 4a (MCL 801.4 and 801.4a), as amended by 1984 PA 119.

Substitute (S-2).

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

By unanimous consent the Senate returned to the order of

Third Reading of Bills

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

Senate Bill No. 662, entitled

A bill to amend 1984 PA 431, entitled "The management and budget act," by amending section 261 (MCL 18.1261), as amended by 2005 PA 91.

The above bill was read a third time.

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. 486

Yeas—37

Allen
 Barcia
 Basham
 Bernero

Clarke
 Cropsey
 Emerson
 Garcia

Jacobs
 Jelinek
 Johnson
 Kuipers

Sanborn
 Schauer
 Scott
 Sikkema

Birkholz
Bishop
Brater
Cassis
Cherry
Clark-Coleman

George
Gilbert
Goschka
Hammerstrom
Hardiman

Leland
McManus
Olshove
Patterson
Prusi

Stamas
Switalski
Thomas
Toy
Van Woerkom

Nays—1

Brown

Excused—0

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

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

House Bill No. 5215, entitled

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending section 37e (MCL 208.37e), as added by 2003 PA 297.

The above bill was read a third time.

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. 487

Yeas—34

Allen
Barcia
Basham
Bernero
Birkholz
Bishop
Brater
Brown
Cherry

Clark-Coleman
Clarke
Cropsey
Emerson
Garcia
George
Goschka
Hammerstrom
Hardiman

Jacobs
Jelinek
Johnson
Kuipers
Leland
McManus
Olshove
Patterson

Prusi
Schauer
Scott
Sikkema
Stamas
Switalski
Thomas
Van Woerkom

Nays—4

Cassis

Gilbert

Sanborn

Toy

Excused—0

Not Voting—0

In The Chair: President

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

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

“An act to provide for the imposition, levy, computation, collection, assessment and enforcement, by lien or otherwise, of taxes on certain commercial, business, and financial activities; to prescribe the manner and times of making certain reports and paying taxes; to prescribe the powers and duties of public officers and state departments; to permit the inspection of records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits, and refunds; to provide penalties; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to provide an appropriation.”.

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 5216, entitled

A bill to amend 1967 PA 281, entitled “Income tax act of 1967,” by amending section 270 (MCL 206.270), as added by 2003 PA 295.

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. 488

Yeas—34

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

Nays—4

Cassis	Gilbert	Sanborn	Toy
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Excused—0

Not Voting—0

In The Chair: President

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

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

“An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, and enforcement by lien and otherwise of taxes on or measured by net income; to prescribe the manner and time of making reports and paying the taxes, and the functions of public officers and others as to the taxes; to permit the inspection of the records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits and refunds of the taxes; to prescribe penalties for the violation of this act; to provide an appropriation; and to repeal certain acts and parts of acts.”.

The Senate agreed to the full title.

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

House Bill No. 5109, entitled

A bill to amend 2000 PA 489, entitled "Michigan trust fund act," by amending the title and section 2 (MCL 12.252) and by adding sections 7, 8, 9, and 10; and to repeal acts and parts of acts.

The above bill was read a third time.

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. 489

Yeas—34

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

Nays—4

Cassis	Gilbert	Sanborn	Toy
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Excused—0

Not Voting—0

In The Chair: President

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

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

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

"An act to create certain funds; to provide for the operation, investment, and expenditure of certain funds; and to impose certain duties and requirements on certain state officials,".

The Senate agreed to the full title.

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

House Bill No. 5048, entitled

A bill to create the Michigan tobacco settlement finance authority; to create funds and accounts; to provide for the sale by this state and the purchase by the authority of all or a portion of tobacco settlement assets; to authorize the issuing of bonds and notes; to prescribe the powers and duties of the authority, the state administrative board, the state treasurer, and certain other state officials and state employees; and to make appropriations and prescribe certain conditions for the appropriations.

The above bill was read a third time.

The question being on the passage of the bill,

Senator Garcia offered the following amendments:

1. Amend page 17, line 12, after "board" by striking out "and the state budget director".
2. Amend page 17, line 22, after "board" by striking out "and the state budget director".
3. Amend page 17, line 26, after "TSRs." by striking out the balance of the subsection.

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

The question being on the passage of the bill,

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

Roll Call No. 490**Yeas—34**

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

Nays—4

Cassis	Gilbert	Sanborn	Toy
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Excused—0**Not Voting—0**

In The Chair: President

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

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

House Bill No. 5047, entitled

A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," by amending the title and sections 4, 5, 6, 7, and 13 (MCL 125.2004, 125.2005, 125.2006, 125.2007, and 125.2013), sections 4, 5, 6, and 13 as amended by 1987 PA 278, and by adding section 94 and chapter 8A.

The above bill was read a third time.

The question being on the passage of the bill,

Senators Van Woerkom, Jelinek, McManus and Brown offered the following amendment:

1. Amend page 50, following line 18, by inserting:

"(H) \$10,000,000.00 AS A GRANT TO THE AGRICULTURAL DEVELOPMENT FUND CREATED IN SECTION 2 OF THE JULIAN-STILLE VALUE-ADDED ACT, 2000 PA 322, MCL 285.302. THE MONEY SHALL NOT BE SPENT UNTIL AFTER APRIL 1, 2006."

The question being on the adoption of the amendment,

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

The motion prevailed.

By unanimous consent the Senate returned to the order of

Messages from the House

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

Senate Bill No. 74

The motion prevailed.

The House of Representatives requested the return of

Senate Bill No. 134, entitled

A bill to amend 1927 PA 175, entitled “The code of criminal procedure,” by amending section 11b of chapter XVII (MCL 777.11b), as amended by 2004 PA 150.

Senator Hammerstrom moved that the request of the House of Representatives be granted.

The motion prevailed.

Senate Bill No. 175, entitled

A bill to amend 1974 PA 198, entitled “An act to provide for the establishment of plant rehabilitation districts and industrial development districts in local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain facilities; to impose and provide for the disposition of an administrative fee; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of the state tax commission and certain officers of local governmental units; and to provide penalties,” by amending section 2 (MCL 207.552), as amended by 2003 PA 5.

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

The House of Representatives has passed the bill as substituted (H-1) and ordered that it be given immediate effect.

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

Senate Bill No. 798, entitled

A bill to amend 1995 PA 24, entitled “Michigan economic growth authority act,” by amending section 8 (MCL 207.808), as amended by 2004 PA 398.

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. 298, entitled

A bill to amend 1972 PA 284, entitled “Business corporation act,” by amending section 1062 (MCL 450.2062), as amended by 1997 PA 118.

Substitute (H-3).

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

Senator Kuipers offered the following substitute to the House substitute:

Substitute (S-2).

The substitute to the substitute was adopted.

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

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

Roll Call No. 491

Yeas—34

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

Nays—4

Cassis	Gilbert	Sanborn	Toy
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Excused—0**Not Voting—0**

In The Chair: President

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

Senate Bill No. 359, entitled

A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," (MCL 125.2001 to 125.2093) by adding chapter 7A. Substitute (H-3).

The question being on concurring in the substitute made to the bill by the House, Senator Garcia offered the following substitute to the House substitute: Substitute (S-2).

The substitute to the substitute was adopted.

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

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

Roll Call No. 492**Yeas—34**

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

Nays—4

Cassis	Gilbert	Sanborn	Toy
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Excused—0**Not Voting—0**

In The Chair: President

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

Senator Garcia offered to amend the title to read as follows:

A bill to amend 1984 PA 270, entitled "An act relating to the economic development of this state; to create the Michigan strategic fund and to prescribe its powers and duties; to transfer and provide for the acquisition and succession to the rights, properties, obligations, and duties of the job development authority and the Michigan economic development authority to the Michigan strategic fund; to provide for the expenditure of proceeds in certain funds to which the Michigan strategic fund succeeds in ownership; to provide for the issuance of, and terms and conditions for, notes and bonds of the Michigan strategic fund; to exempt the property, income, and operation of the fund and its bonds and notes, and the interest thereon, from certain taxes; to provide for the creation of certain centers within and for the purposes of the Michigan strategic fund; to provide for the creation and funding of certain accounts for certain purposes; to impose certain powers and duties upon certain officials, departments, and authorities of the state; to provide penalties; and to repeal certain acts and parts of acts," (MCL 125.2001 to 125.2093) by adding section 88p.
The amendment to the title was adopted.

The Senate agreed to the title as amended.

Senate Bill No. 521, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 30 (MCL 206.30), as amended by 2004 PA 394.

Substitute (H-1).

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

Senator Bishop offered the following substitute to the House substitute:

Substitute (S-2).

The substitute to the substitute was adopted.

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

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

Roll Call No. 493

Yeas—34

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

Nays—4

Cassis	Gilbert	Sanborn	Toy
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Excused—0

Not Voting—0

In The Chair: President

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

Senate Bill No. 533, entitled

A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," by amending the title and sections 4 and 13 (MCL 125.2004 and 125.2013), sections 4 and 13 as amended by 1987 PA 278, and by adding section 94 and chapter 8A. Substitute (H-4).

The question being on concurring in the substitute made to the bill by the House, Senator Garcia offered the following substitute to the House substitute:

Substitute (S-6).

The question being on adoption of the substitute,

Senator Garcia offered the following amendments to the Senate substitute:

1. Amend page 2, line 11, after "**SCIENTIFIC**" by striking out the balance of the line through the first "**AND**" on line 12 and inserting "**AND TECHNICAL MERIT, PERSONAL EXPERTISE,**".

2. Amend page 2, line 12, after "**MERIT**" by inserting a comma and "**AND THE ABILITY TO LEVERAGE ADDITIONAL FUNDING**".

3. Amend page 2, line 12, after "**APPLICATION.**" by striking out the balance of the line through "**MERIT**" on line 13 and inserting "**SCIENTIFIC AND TECHNICAL MERIT, PERSONAL EXPERTISE, COMMERCIAL MERIT, AND THE ABILITY TO LEVERAGE ADDITIONAL FUNDING**".

4. Amend page 3, line 6, after "*(vi)*" by inserting "**LIMIT**".

5. Amend page 3, line 6, after "**LOANS**" by striking out "**THAT**" and inserting "**TO**".

6. Amend page 9, line 21, after "**(3).**" by inserting "**AS USED IN THIS SUBSECTION, "STATE EMPLOYEES" DOES NOT INCLUDE AN OFFICER OR EMPLOYEE OF A STATE INSTITUTION OF HIGHER EDUCATION.**".

7. Amend page 11, line 1, after "**15.348.**" by inserting "**AN OFFICER OR AN EMPLOYEE OF A STATE INSTITUTION OF HIGHER EDUCATION MAY AT THE SAME TIME ALSO HOLD THE PUBLIC OFFICE OF MEMBER OF THE COMMERCIALIZATION BOARD AS AUTHORIZED UNDER SECTION 88L(3)(D) AND THE OFFICER OR EMPLOYEE SHALL NOT BE DEEMED TO HOLD 2 OR MORE INCOMPATIBLE OFFICES AT THE SAME TIME.**".

8. Amend page 11, line 17, by striking out "**DECISION**" and inserting "**MATTER BEFORE THE FUND BOARD OR THE COMMERCIALIZATION BOARD**".

9. Amend page 12, following line 22, by inserting:

"(7) WHEN AUTHORIZING EXPENDITURES AND INVESTMENTS UNDER THIS ACT, THE COMMERCIALIZATION BOARD SHALL NOT CONSIDER WHETHER A RECIPIENT HAS MADE A CONTRIBUTION OR EXPENDITURE UNDER THE MICHIGAN CAMPAIGN FINANCE ACT, 1976 PA 388, MCL 169.201 TO 169.282."

10. Amend page 13, line 18, after "**APPROPRIATION.**" by inserting "**PRIOR TO EMPLOYING THE SERVICES OF AN INDEPENDENT PUBLIC ACCOUNTING FIRM UNDER THIS SECTION, THE AUDITOR GENERAL SHALL REQUIRE THE ENTITY TO DISCLOSE ANY CONFLICT OF INTEREST, CRIMINAL CONVICTIONS, INVESTIGATIONS BY THE INTERNAL REVENUE SERVICE OR OTHER FEDERAL OR STATE TAXING BODY OR COURT, AND ANY PERTINENT LITIGATION REGARDING THE CONDUCT OF THE ENTITY.**".

11. Amend page 14, line 6, after "**THAN**" by inserting "**MARCH 31, 2007 AND EACH SUBSEQUENT**".

12. Amend page 14, line 6, after "**31**" by striking out "**OF EACH YEAR**".

13. Amend page 14, line 27, after "**THAN**" by inserting "**MARCH 31, 2007 AND EACH SUBSEQUENT**".

14. Amend page 14, line 27, after "**31**" by striking out "**OF EACH YEAR**".

The amendments to the substitute were adopted.

Senator Garcia offered the following amendment to the substitute:

1. Amend page 6, line 7, after "**(8)**" by inserting "**AFTER MARCH 31, 2006,**".

The amendment to the substitute was adopted.

The substitute, as amended, was adopted.

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

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

Roll Call No. 494**Yeas—34**

Allen	Clark-Coleman	Jacobs	Prusi
Barcia	Clarke	Jelinek	Schauer
Basham	Cropsey	Johnson	Scott
Bernero	Emerson	Kuipers	Sikkema

Birkholz	Garcia	Leland	Stamas
Bishop	George	McManus	Switalski
Brater	Goschka	Olshove	Thomas
Brown	Hammerstrom	Patterson	Van Woerkom
Cherry	Hardiman		

Nays—4

Cassis	Gilbert	Sanborn	Toy
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Excused—0**Not Voting—0**

In The Chair: President

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

Senator Garcia offered to amend the title to read as follows:

A bill to amend 1984 PA 270, entitled “Michigan strategic fund act,” (MCL 125.2001 to 125.2093) by adding sections 88k, 88l, 88m, 88n, and 88o.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

By unanimous consent the Senate proceeded to the order of

Resolutions

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

Senate Concurrent Resolution No. 28

The motion prevailed.

Senators Birkholz, Van Woerkom, Kuipers, McManus and Jelinek offered the following resolution:

Senate Resolution No. 77.

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

Whereas, The Great Lakes are known for their beauty, power, and importance to life in this region. Less well known and understood are the dangers of rip currents, which threaten public safety and can cause deaths of swimmers at beaches along Michigan’s shores; and

Whereas, Rip currents, which are sometimes mistakenly referred to as rip tides or undertows, are caused by offshore sandbars that break apart. The current that results can be very strong, taking even an Olympic-caliber swimmer swiftly away from the shore. The “rip” in the sandbar can be the result of high winds or large waves, and it can occur with absolutely no warning. Rip currents can last a few minutes, several hours, or even days. While there often is discoloration to the water that is swept away from the shore by the rip current, this is not always easy to see. A swimmer caught in a rip current can safely return to shore by swimming parallel to the shore, out of the rip current. However, this knowledge must be in place before such an incident occurs in order to prevent a tragedy; and

Whereas, There is clearly a need for greater public awareness among beach visitors to the Great Lakes. The National Weather Service plans to issue rip current warnings for Lakes Michigan and Huron. State parks will post warning flags based on the warnings: green for safe, yellow for caution, and red for unsafe conditions. Providing beach visitors with information on how to interpret the flags, recognize a rip current, and react if caught in one is essential public education. Signs posted at beaches can provide such information, as well as information on how to help someone caught in a rip current. Additional education is required for visitors at Michigan beaches not associated with a state park; now, therefore, be it

Resolved by the Senate, That we urge the Michigan Department of Natural Resources to increase efforts to provide notification and public education on rip currents in the Great Lakes; and be it further

Resolved, That copies of this resolution be transmitted to the Governor and the Director of the Michigan Department of Natural Resources.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations, Senator Hammerstrom moved that the rule be suspended.

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

The question being on the adoption of the resolution,

Senator Hammerstrom moved that the resolution be referred to the Committee on Natural Resources and Environmental Affairs.

The motion prevailed.

Senators Bishop, Brater, Cassis, Gilbert, Hardiman, Johnson, Olshove and Switalski were named co-sponsors of the resolution.

Senators Van Woerkom, Kuipers, Allen, Birkholz, McManus and Jelinek offered the following resolution:

Senate Resolution No. 78.

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

Whereas, The Great Lakes are known for their beauty, power, and importance to life in this region. Less well known and understood are the dangers of rip currents, which threaten public safety and can cause deaths of swimmers at beaches along Michigan's shores; and

Whereas, Rip currents, which are sometimes mistakenly referred to as rip tides or undertows, are caused by offshore sandbars that break apart. The current that results can be very strong, taking even an Olympic-caliber swimmer swiftly away from the shore. The "rip" in the sandbar can be the result of high winds or large waves, and can occur with absolutely no warning. Rip currents can last a few minutes, several hours, or even days. While there often is discoloration to the water that is swept away from the shore by the rip current, this is not always easy to see. A swimmer caught in a rip current can safely return to shore by swimming parallel to the shore, out of the rip current. However, this knowledge must be in place before such an incident occurs in order to prevent a tragedy; and

Whereas, Seawalls and piers along the Great Lakes offer both function and recreation. These structures protect Great Lakes shorelines from erosion damage and create safe entrances to Great Lakes marinas and connecting waterways. These structures are often used to access Great Lakes fishing and to view Michigan's natural beauty along the shorelines. Rough lake waters and waves crashing over piers and seawalls pose a danger to the public. These structures should be accessed only when conditions are safe; and

Whereas, There is clearly a need for greater public awareness among Michigan residents. Children are frequent visitors to our Great Lakes, often camping with parents and grandparents along the shore. Targeting students with information about swimming safely in the Great Lakes and behaving responsibly along seawalls and on piers will instill a lifelong knowledge about the strength and power of the water; now, therefore, be it

Resolved by the Senate, That we urge the Michigan Department of Education to provide information to help educate students about the dangers of rip tides and basic pier safety; and be it further

Resolved, That copies of this resolution be transmitted to the Michigan Department of Education.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations, Senator Hammerstrom moved that the rule be suspended.

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

The question being on the adoption of the resolution,

Senator Hammerstrom moved that the resolution be referred to the Committee on Natural Resources and Environmental Affairs.

The motion prevailed.

Senators Bishop, Brater, Cassis, Gilbert, Hardiman, Olshove and Switalski were named co-sponsors of the resolution.

Introduction and Referral of Bills

Senator Cropsey introduced

Senate Bill No. 815, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," (MCL 600.101 to 600.9947) by adding section 5707.

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

Senators Kuipers, Van Woerkom, Allen, Birkholz, McManus and Jelinek introduced
Senate Bill No. 816, entitled

A bill to amend 1931 PA 328, entitled "The Michigan penal code," (MCL 750.1 to 750.568) by adding section 498b. The bill was read a first and second time by title and referred to the Committee on Judiciary.

Senators Gilbert, Kuipers, Allen, Van Woerkom, Birkholz, McManus and Jelinek introduced
Senate Bill No. 817, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 16x of chapter XVII (MCL 777.16x), as amended by 2003 PA 313.

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

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

Senate Bill No. 818, entitled

A bill to amend 1954 PA 116, entitled "Michigan election law," by amending section 759 (MCL 168.759), as amended by 1995 PA 261.

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

Senator Switalski introduced

Senate Bill No. 819, entitled

A bill to amend 1939 PA 280, entitled "The social welfare act," (MCL 400.1 to 400.119b) by adding section 107a. The bill was read a first and second time by title and referred to the Committee on Appropriations.

Senator Switalski introduced

Senate Bill No. 820, entitled

A bill to amend 1939 PA 280, entitled "The social welfare act," (MCL 400.1 to 400.119b) by adding sections 112g, 112h, 112i, and 112j.

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

Senator Switalski introduced

Senate Bill No. 821, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 2843 (MCL 333.2843), as amended by 2002 PA 691.

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

Senator Switalski introduced

Senate Bill No. 822, entitled

A bill to amend 1998 PA 386, entitled "Estates and protected individuals code," by amending section 3805 (MCL 700.3805), as amended by 2000 PA 177.

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

Senator Switalski introduced

Senate Bill No. 823, entitled

A bill to amend 1953 PA 232, entitled "Corrections code of 1953," by amending sections 62, 62b, and 62c (MCL 791.262, 791.262b, and 791.262c), section 62 as amended by 1987 PA 251, section 62b as amended by 2000 PA 211, and section 62c as amended by 1988 PA 293.

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

Senator Switalski introduced

Senate Bill No. 824, entitled

A bill to amend 1982 PA 325, entitled "An act to authorize county sheriffs to declare a county jail overcrowding state of emergency; to prescribe the powers and duties of certain judges, county sheriffs, and other county officials; and to provide remedies for a county jail overcrowding state of emergency," by amending section 1 (MCL 801.51).

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

Senator Switalski introduced
Senate Bill No. 825, entitled

A bill to amend 1846 RS 13, entitled "Of counties," by amending section 16 (MCL 45.16).
The bill was read a first and second time by title and referred to the Committee on Judiciary.

Senators Basham, Leland, Clarke, Jacobs, Scott, Olshove, Clark-Coleman, Cherry, Emerson and Brater introduced
Senate Bill No. 826, entitled

A bill to amend 1980 PA 299, entitled "Occupational code," by amending sections 601, 602, 605, 2404, 2405, 2411, and 2412 (MCL 339.601, 339.602, 339.605, 339.2404, 339.2405, 339.2411, and 339.2412), section 601 as amended by 1998 PA 250, section 602 as amended by 1981 PA 83, section 2404 as amended by 1988 PA 463, and sections 2411 and 2412 as amended by 2001 PA 113, and by adding section 606.

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 Leland, Basham, Clarke, Jacobs, Scott, Olshove, Clark-Coleman, Cherry, Emerson and Brater introduced
Senate Bill No. 827, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 4701 (MCL 600.4701), as amended by 2002 PA 142, and by adding section 2975.

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 Clarke, Basham, Leland, Jacobs, Scott, Olshove, Clark-Coleman, Cherry, Emerson and Brater introduced
Senate Bill No. 828, entitled

A bill to amend 1979 PA 152, entitled "State license fee act," by amending section 39 (MCL 338.2239), as amended by 2003 PA 87.

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 Allen, Bishop, Kuipers, George, Birkholz, Cassis, Stamas, Van Woerkom, Johnson, Garcia, Gilbert, Patterson, Cropsey, Sanborn, Brown, Jelinek, Hardiman and McManus introduced

Senate Bill No. 829, entitled

A bill to amend 1966 PA 13, entitled "An act to implement the provisions of section 14 of the schedule and temporary provisions of the constitution of this state by providing for the issuance and sale of full faith and credit bonds of the state to refund the outstanding bonds heretofore issued by the Mackinac bridge authority and upon such refunding to abolish the Mackinac bridge authority and to transfer the operation, maintenance, repair and replacement of the Mackinac bridge to the state highway department with power to fix and collect tolls, fees and charges for the use of the bridge, its services and facilities," by repealing section 9 (MCL 254.369).

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

Senators Allen, Bishop, Kuipers, George, Birkholz, Cassis, Stamas, Van Woerkom, Johnson, Garcia, Gilbert, Patterson, Cropsey, Sanborn, Brown, Jelinek, Hardiman and McManus introduced

Senate Bill No. 830, entitled

A bill to amend 1965 PA 380, entitled "Executive organization act of 1965," (MCL 16.101 to 16.608) by adding section 359; and to repeal acts and parts of acts.

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

Senators Allen, Bishop, Kuipers, George, Birkholz, Cassis, Stamas, Van Woerkom, Johnson, Garcia, Gilbert, Patterson, Cropsey, Sanborn, Brown, Jelinek, Hardiman and McManus introduced

Senate Bill No. 831, entitled

A bill to amend 1950 PA 21, entitled "An act to create the Mackinac bridge authority, and to prescribe its powers and duties; to provide for the determination of the physical and financial feasibility of a bridge connecting the upper and lower peninsulas of Michigan; to provide for a board of consulting engineers, and to prescribe its powers and duties; and to make an appropriation to carry out the provisions of this act," by amending section 2 (MCL 254.302).

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

Senators Allen, Bishop, Birkholz, Kuipers, George, Cassis, Stamas, Van Woerkom, Johnson, Garcia, Gilbert, Patterson, Cropsey, Sanborn, Brown, Jelinek, Hardiman and McManus introduced

Senate Bill No. 832, entitled

A bill to amend 1952 PA 214, entitled "An act authorizing the Mackinac bridge authority to acquire a bridge connecting the upper and lower peninsulas of Michigan, including causeways, tunnels, roads and all useful related equipment and facilities, including park, parking, recreation, lighting and terminal facilities; extending the corporate existence of the authority; authorizing such authority to enjoy and carry out all powers incident to its corporate objects; authorizing the appropriation and use of state funds for the preliminary purposes of the authority; providing for the payment of the cost of such bridge and in that connection authorizing the authority to issue revenue bonds payable solely from the revenues of the bridge; granting the right of condemnation to the authority; granting the use of state land and property to the authority; making provisions for the payment and security of such bonds and granting certain rights and remedies to the holders thereof; authorizing banks and trust companies to perform certain acts in connection therewith; authorizing the imposition of tolls and charges; authorizing the authority to secure the consent of the United States government to the construction of the bridge and to secure approval of plans, specifications and location of same; authorizing employment of engineers irrespective of whether such engineers have been previously employed to make preliminary inspections or reports with respect to the bridge; authorizing the state highway department to operate and maintain such bridge or to contribute thereto and enter into leases and agreements in connection therewith; exempting such bonds and the property of the authority from taxation; prohibiting competing traffic facilities; authorizing the operation of ferries by the authority; providing for the construction and use of certain buildings; and making an appropriation," by amending section 14 (MCL 254.324).

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

House Bill No. 4420, entitled

A bill to amend 1975 PA 238, entitled "Child protection law," by amending sections 8 and 17 (MCL 722.628 and 722.637), section 8 as amended by 2004 PA 195 and section 17 as added by 1997 PA 168.

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

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

By unanimous consent the Senate returned to the order of

Third Reading of Bills

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

House Bill No. 5047, entitled

A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," by amending the title and sections 4, 5, 6, 7, and 13 (MCL 125.2004, 125.2005, 125.2006, 125.2007, and 125.2013), sections 4, 5, 6, and 13 as amended by 1987 PA 278, and by adding section 94 and chapter 8A.

(This bill was read a third time earlier today, amendment offered and consideration postponed. See p. 1975.)

The question being on the adoption of the amendment offered by Senators Van Woerkom, Jelinek, McManus and Brown,

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

Senator Garcia offered the following amendments:

1. Amend page 6, line 12, after "**TREASURY,**" by inserting "**THE CHIEF EXECUTIVE OFFICER OF THE MEDC,**".
2. Amend page 6, line 12, after "and" by striking out "7" and inserting "6".
3. Amend page 6, line 19, after "**THE**" by striking out "7" and inserting "6".
4. Amend page 6, line 22, after "the" by striking out "7" and inserting "6".
5. Amend page 7, line 10, after "**TECHNOLOGY.**" by striking out the balance of the line through "**BOARD.**" on line 12.
6. Amend page 7, line 15, after "appointment." by striking out the balance of the line through "members" on line 16 and inserting "The **MEMBER**".
7. Amend page 7, line 24, after "**AFTER**" by striking out "**NOVEMBER 15**" and inserting "**DECEMBER 31**".
8. Amend page 8, line 13, after "chairperson." by striking out the balance of the line through the second "governor" on line 16 and inserting "**THE GOVERNOR SHALL DESIGNATE 1 MEMBER OF THE BOARD TO SERVE AS PRESIDENT OF THE FUND AND**".
9. Amend page 8, line 19, after "chairperson," by inserting "president,".
10. Amend page 10, line 8, after "**8A**" by striking out the balance of the line through "**88C**" on line 9.

11. Amend page 10, line 15, after “**15.246.**” by inserting “**THE DISCLOSURE OF A RECORD CONCERNING INVESTMENT INFORMATION DESCRIBED IN SECTION 88C UNDER THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246, IS SUBJECT TO THE LIMITATIONS PROVIDED IN SECTION 88C.**”.

12. Amend page 13, line 20, after the first “**BOARD**” by striking out “**AND THE COMMERCIALIZATION BOARD**”.

13. Amend page 17, line 13, after “(q)” by striking out “To” and inserting “**EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, TO**”.

14. Amend page 17, line 14, after “required” by inserting “or permitted”.

15. Amend page 17, line 15, after “fund.” by inserting “**THE POWERS GRANTED UNDER THIS SUBDIVISION DO NOT APPLY TO CHAPTER 8A.**”.

16. Amend page 20, line 23, after “**HIGH**” by striking out “**PROBABILITY OF**” and inserting “**POTENTIAL FOR**”.

17. Amend page 22, line 17, after “**UNDER**” by striking out “**THIS CHAPTER**” and inserting “**SECTION 88K**”.

18. Amend page 27, line 17, after “**THAN**” by striking out “**\$50,000,000.00 EACH YEAR FOR 5**” and inserting “**\$40,000,000.00 IN 2006 AND \$50,000,000.00 EACH YEAR AFTER 2006 FOR 4**”.

19. Amend page 28, line 6, after “**INCLUDES**” by striking out the balance of the line and inserting “**A REFERENCE TO OR THE IMAGE OR VOICE**”.

20. Amend page 28, line 9, after the second “**ALL**” by striking out “**BUSINESS DEVELOPMENT AND**”.

21. Amend page 28, line 27, after the first “**THE**” by striking out “**REQUIREMENTS**” and inserting “**PURPOSES**”.

22. Amend page 30, following line 27, by inserting:

“(C) **PROVISION OF MONEY TO A BUSINESS ENTERPRISE TO INDUCE QUALIFIED BUSINESSES OR SMALL BUSINESSES TO LEAVE THIS STATE.**

(D) **PROVISION OF MONEY THAT WOULD CONTRIBUTE TO THE VIOLATION OF INTERNATIONALLY RECOGNIZED WORKERS RIGHTS, AS DEFINED IN SECTION 507(4) OF THE TRADE ACT OF 1974, 19 USC 2467(4), OF WORKERS IN A COUNTRY OTHER THAN THE UNITED STATES, INCLUDING ANY DESIGNATED ZONE OR AREA IN THAT COUNTRY.**” and relettering the remaining subdivisions.

23. Amend page 31, line 1, by striking out all of line 1 and inserting:

“(E) **PROVISION OF MONEY TO A CORPORATION OR AN AFFILIATE OF THE CORPORATION WHO IS**”.

24. Amend page 31, line 2, after “**2001,**” by striking out “**BUT WITH**” and inserting “**WHILE MAINTAINING**”.

25. Amend page 31, line 4, after “**STOCK**” by striking out the balance of the sentence and inserting a period.

26. Amend page 31, line 12, by striking out all of subdivision (D).

27. Amend page 35, line 10, after “(B)” by striking out the balance of the subdivision and inserting “**ENSURES THAT PARTICIPATING FINANCIAL INSTITUTIONS DO NOT REFINANCE PRIOR DEBT.**”.

28. Amend page 38, line 3, after “**ONLY**” by striking out “**IN, OR ALONGSIDE,**” and inserting “**IN OR ALONGSIDE**”.

29. Amend page 39, line 21, after “**THE**” by inserting “**FUND SHALL CREATE AND OPERATE A PRIVATE EQUITY INVESTMENT PROGRAM. THE FUND**”.

30. Amend page 44, line 23, after “**REMOVAL**” by inserting “**UNDER SECTION 94**”.

31. Amend page 44, line 25, after “**SHALL**” by striking out “**OPERATE**” and inserting “**EXERCISE ITS POWERS AND DUTIES UNDER THIS SECTION**”.

32. Amend page 45, line 8, after “**OFFICER**” by striking out the balance of the subsection and inserting a period.

33. Amend page 46, line 17, after “**EMPLOYEES**” by inserting “**OF THE BOARD AND THE COMMERCIALIZATION BOARD**”.

34. Amend page 46, line 20, after “**EMPLOYEES**” by inserting “**OF THE BOARD AND THE COMMERCIALIZATION BOARD**”.

35. Amend page 47, line 5, after “**LOANS**” by inserting “**UNDER THIS CHAPTER**”.

36. Amend page 47, line 14, after “**REPRESENTATIVES**” by striking out “**STANDING**”.

37. Amend page 48, line 9, after “**COMMITMENTS**” by inserting a comma.

38. Amend page 48, line 12, after “**AUTHORITY**” by striking out “**AS PROVIDED**” and inserting “**FOR PURPOSES**”.

39. Amend page 51, line 2, after “**INCLUDES**” by striking out “**THE IMAGE**” and inserting “**A REFERENCE TO OR THE IMAGE OR VOICE**”.

40. Amend page 51, line 5, by striking out “**BUSINESS DEVELOPMENT AND**”.

The question being on the adoption of the amendments,

Senator Hammerstrom moved that the question be divided and that a separate vote be taken on Amendment No. 18. The motion prevailed.

The question being on the adoption of Amendment No. 18,

Senator Garcia withdrew the amendment.

The question being on the adoption of Amendment Nos. 1-17 and 19-40,

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

Senator Garcia offered the following amendment:

1. Amend page 27, line 17, after “**THAN**” by striking out “**\$50,000,000.00 EACH YEAR FOR 5**” and inserting “**\$40,000,000.00 IN THE 2005-2006 FISCAL YEAR AND NOT LESS THAN \$50,000,000.00 EACH FISCAL YEAR AFTER 2005-2006 FOR 4 FISCAL**”.

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

The question being on the passage of the bill,

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

Roll Call No. 495

Yeas—34

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

Nays—4

Cassis	Gilbert	Sanborn	Toy
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Excused—0

Not Voting—0

In The Chair: President

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

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

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

“An act relating to the economic development of this state; to create the Michigan strategic fund and to prescribe its powers and duties; to transfer and provide for the acquisition and succession to the rights, properties, obligations, and duties of the job development authority and the Michigan economic development authority to the Michigan strategic fund; to provide for the expenditure of proceeds in certain funds to which the Michigan strategic fund succeeds in ownership; to provide for the issuance of, and terms and conditions for, notes and bonds of the Michigan strategic fund; to exempt the property, income, and operation of the fund and its bonds and notes, and the interest thereon, from certain taxes; to provide for the creation of certain centers within and for the purposes of the Michigan strategic fund; to provide for the creation and funding of certain accounts for certain purposes; to impose certain powers and duties upon certain officials, departments, and authorities of the state; to provide penalties; and to repeal certain acts and parts of acts.”.

The Senate agreed to the full title.

Protests

Senators Gilbert and Sanborn, under their constitutional right of protest (Art. 4, Sec. 18), protested against the passage of House Bill No. 5047 and moved that the statements they made during the discussion of the bill be printed as their reasons for voting “no.”

The motion prevailed.

Senator Gilbert's statement is as follows:

I sincerely hope my judgment is wrong, but I believe this legislation isn't the way we should go. I understand as much as anyone here the need to diversify our economy and increase employment. But I am concerned about the intervention into our free market. It is allowing government to pick winners. I understand and appreciate that the private sector involvement has increased from the original plan. Nevertheless, loans will be given only after government criteria is met. Let me put it this way: If Thomas Edison's success in inventing and developing the light bulb was contingent upon convincing a government committee that it was a good idea, we may all be eating dinner by candlelight tonight.

This plan will cost up to \$90 million. It's far better to have this phased in with tax relief for all businesses so those who have invested and employed Michigan citizens, as well as those emerging and cutting-edge businesses, will benefit as well.

Senator Sanborn's statement is as follows:

I rise with my "no" vote explanation. Now, I have heard the debate on the floor over the last couple of days. Now we have to gamble to turn Michigan's economy around—this from my respected and learned colleagues who fought alongside with me to keep casinos out of Michigan. For you, I give this phone number: 313-792-2877. That's for Gamblers Anonymous. To my colleagues across the aisle, remember when your mantra on Social Security was put it in a lockbox?

Now you are willing to take 56 cents on the dollar of the tobacco settlement money. You are going to pay a five percent business development fee, you are going to pay a four percent administrative fee, and you are going to be betting on such things that Michigan can become the Hollywood of the North; that we can now make movies here and that is going to help turn Michigan's economy around. Perhaps the first movie we can make is the "Rise and Fall of the Roman Empire."

And to those who believe that we can gamble with money managers and pay all of these fees and get it all back, you are willing to do that because you think it is better to take the money upfront now because the cigarette companies are going to go out of business. A bird in the hand is worth two in the bush. I recommend that your first money be spent on Phillip Morris, parent company Altria, up this year 74 percent and it pays a 4.3 percent dividend.

Senator Toy, under her constitutional right of protest (Art. 4, Sec. 18), protested against the passage of House Bill Nos. 5047, 5048, and 5109 and moved that the statement she made during the discussion of House Bill No. 5047 be printed as her reasons for voting "no."

The motion prevailed.

Senator Toy's statement is as follows:

Mr. President, I rise to give my "no" vote explanation of House Bill Nos. 5047, 5048, and 5109.

Although the goal of job creation is certainly a well-intentioned one, I philosophically do not agree with this legislation. A changing global economy is changing Michigan's economy, and I am committed to doing all that I can in this chamber to create and retain jobs and to attract the employers of the 21st century to our state. However, I do not believe that it is the proper role of state government to take \$1 billion in taxpayer money and allow political appointees to invest it in high-risk ventures. Furthermore, this plan sells state revenues that are currently being used to fund health care for our state's poor and scholarships for its youth at a great discount.

Finally, unlike the original bonding proposal, this plan deprives voters of the right to have a say in how their money is spent in our state. As a small business owner, I have firsthand knowledge about job creation and the government's role. We are better served by removing the obstacles to job creation than by trying to engineer a giant program where government pretends to know more than the market.

There are no quick fixes. This legislation is deeply flawed on two levels—philosophically and technically. I, therefore, cannot in good conscience support this measure.

Senator Cassis, under her constitutional right of protest (Art. 4, Sec. 18), protested against the passage of House Bill Nos. 5047, 5048, 5109, 5215, and 5216 and concurring in the House substitutes to Senate Bill Nos. 359, 521, and 533 and moved that the statement she made during the discussion of House Bill No. 5047 be printed as her reasons for voting "no."

The motion prevailed.

Senator Cassis' statement is as follows:

This is my "no" vote explanation on House Bill Nos. 5048, 5109, 5047, 5215, and 5216, as well as the Senate bills tie-barred to securitization: Senate Bill Nos. 359, 521, and 533.

My "no" vote on securitization bills first and foremost recognizes our collective legislative concerns and distress in respect to Michigan's faltering, struggling economy and the job losses that are causing so much considerable stress on individuals, families, and businesses alike.

I am very cognizant of the anxiety of my colleagues as to the plight of their districts. I am reminded that the dollars being securitized relate to the tobacco settlements with the respective states. The core idea behind that money here in Michigan was aimed at health, healing, education, and academic scholarships. Today we defer, we depart, from that core principle.

While there is no one silver bullet, isn't there another way of helping to resurrect Michigan's economy, create a business climate emphasizing our proud Michigan heritage of innovation, support of private enterprise and its willingness to invest, compete, and take risks? Our goal then is to create a positive business environment for job providers currently here in Michigan and for those outside of Michigan that we want to attract here advancing greater diversity. In moving to accomplish this goal, I ask, what is the role of government?

I concur with those who question government committing to debt, to choosing selected and favored activities, and I concur with those who question the wisdom that government has greater success predicting winners than reinforcing the role of a free market. Yes, there is another option, one that many economists advocate because of a more promising, tried and true, successful outcome.

To that point, direct and devote the interest costs that will come from our General Fund some \$80 million next year approximately and the years to follow to reduce our collective tax burden and aid all of Michigan. Such tax relief, my colleagues, means money kept in wallets to invest privately. This sends a strong signal and message and opens the way for the private sector to see Michigan as open for business, as a fertile place to grow and create jobs.

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

The motion prevailed.

Senator Garcia's first statement is as follows:

I, too, rise to support the amendment, and I want to thank the amendment sponsor and others who are responsible for strengthening this package and by adding this amendment in. I, too, urge members to adopt this amendment.

Senator Garcia's second statement is as follows:

This again is a series of grammatical, technical, and clarifying amendments that will help in the implementation of this plan, and again, we met with the administration and worked it out so they made sense. However, there is one significant amendment that I would like to address the body on. That is specifically No. 8 and it talks about the previous substitute stating that the president of the Michigan Strategic Fund would be the MEDC CEO. This amendment will change it to allow the Governor to select from any member of the board. The Governor ought to be allowed the flexibility, whoever he or she is at the time that this program is running, to pick the person to head up the Strategic Fund—to head up their economic development program.

It is my hope that this Governor will appoint the MEDC CEO for a number of reasons, and I want to go on record as saying why. First of all, to have a department director head up an entity like this, the board, underneath another department is a little bit unusual. While I have spoken to the current director of DLEG and he has no problem with it, I think it can muddle up the process. You have a potential conflict between two chiefs. You have too many chiefs, and having been in the military for 24 years, I understand there has to be a clear chain of command. I think if you choose anyone other than the MEDC CEO, you're going to have a muddled chain of command, and you could have some problems. We see what's happened to date with the process that's been implemented so far, and I'm not sure it's working. And, again, I have no problem with the current DLEG director. I have no problem with the current MEDC CEO or the past one. I just think it ought to be a clear chain of command.

Something else to consider is that you have the department director overseeing the board or a fund that actually has to hire these people, so the director of one department is going to potentially hire the people from another department, and I think that poses some problems.

For the record, I'd like to state that I hope the Governor takes one person to be in charge of his or her economic development plan, and I hope it's the MEDC CEO. But given it's the Governor, we wanted to give them the flexibility to choose whoever they wish to.

Senator Garcia's third statement is as follows:

We had to clarify the amendment. The amendment that is before you calls for taking the \$10 million that we just set aside in the first amendment that the Senator had offered earlier, and we're taking it out of the amount of money that we're setting aside for life sciences in the first year—\$10 million. The overall impact is that there will be not less than \$40 million spent on life sciences in the first year and not less than \$50 million spent in subsequent years for four years in life sciences. So we just needed to clarify that. Thank you very much, and I urge members to adopt this amendment as well.

Senator Garcia's fourth statement is as follows:

A key component of House Bill No. 5047 is the creation of the Jobs for Michigan Investment Fund, authorizing securitization proceeds to be held and invested as permanent funds for the benefit of our great state. This investment in Michigan's future is authorized by Section 19 of Article 9 of the Michigan Constitution of 1963, which permits state funds held as permanent funds to be invested as provided by law, including, but not limited to, investments in the form of subscriptions to, or interests in, the stock of any company, association, or corporation.

The permanent fund created under House Bill No. 5047, the Jobs for Michigan Investment Fund, will have permanency and a lasting impact on the economy of our state because money in the fund can't be spent for other purposes. It may only be invested for the benefit of the people of the state of Michigan and for the purpose of creating incentives for diversifying Michigan's economy; retaining and creating jobs in our state; increasing capital investment activity; increasing commercial lending activity; and encouraging the development and commercialization of technologies related to Michigan's economic future, including life sciences, alternative energy, homeland security and defense, and advanced automotive manufacturing and materials.

While under House Bill No. 5047, the Jobs for Michigan Investment Fund may be invested or loaned subject to stringent controls, the investments or loans will be structured to provide for the return to the fund of principal and initial capital investments, in addition to interest or other earnings. Deposits to the fund—its body of assets or corpus—will remain in the fund. While that money may be invested in capital investments or debt obligations, the money cannot be expended otherwise and will not revert to the state's General Fund. Only net income produced by investments from the Jobs for Michigan Investment Fund may be appropriated and otherwise spent.

Investment and loan programs for the Jobs for Michigan Investment Fund will be created and operated by the Michigan Strategic Fund Board, based upon advice from a fund manager with not less than ten years of experience, enabling investments from the Jobs for Michigan Investment Fund in or alongside funds with private investors to encourage greater investment by the private sector in growing Michigan companies. A loan enhancement program also will be created using funds invested from or loaned by the Jobs for Michigan Investment Fund to ensure that expanding Michigan companies have access to the private capital they need to grow here in our state.

All of these activities are subject to strict legislative and administrative oversight, compliance review by the new executive branch chief compliance officer, and regular audits by the Auditor General. These provisions of House Bill No. 5047, along with the fiduciary obligations of the Michigan Strategic Fund Board and its fund managers, will combine to ensure that monies in the Jobs for Michigan Investment Fund are invested and reinvested as permanent funds in a manner consistent with Michigan's Constitution and the objectives and purposes established by this legislation—with the resulting benefits for Michigan's economic future accruing within this state for the benefit of generations to come.

Senator Schauer's statement is as follows:

I rise in support of this economic investment package, this bill, this final bill in the package that is before us. Much has been said, but this is a very important moment for us as the Senate and for our state. This package as proposed by our Governor and soon to be enacted by this Legislature is coming at a very critical time in our state's economy.

Headlines of just the last week or days tell us that we must act quickly and we must act in a bold fashion for the jobs, for our constituents, and for our children which are at stake. Members, we've seen great success in the Life Sciences Corridor. This initiative is really based upon that great success that we have seen in the life sciences field led by our fine universities, research institutions, and entrepreneurs who have been willing to step up and commercialize that great work here in our state.

This package will help us do much more than the Life Sciences Corridor has been able to do to this point to create jobs, to diversify our economy so that our greatest economic days in this state for our children and for our grandchildren are ahead of us. Some think that Michigan's greatest economic days are in the past, but with this package, I believe that is not true.

I'm proud of this Senate for joining our Governor in such a strong bipartisan way to enact this important legislation. To the Speaker and members at the other end of the Capitol, it is incumbent upon you to act quickly and help us place this groundbreaking, important legislation on Governor Granholm's desk immediately.

Members, your "yes" vote will be a bold step, will send a strong, bold signal to the people in our state and those around the country and around the world that Michigan is indeed an excellent place to do business and will be a leader around the world in the future.

Senator Goschka's statement is as follows:

I rise in support of this bill as well as the entire package. My part of the state, as well as many others, is very high in unemployment. With Delphi now filing bankruptcy, there are many people throughout our great state who really don't know what their future holds. I do respect the views of those who will vote the other way on this package, but I do think it is important that as we deliberate this issue and look at the bottom line, we need to deliver something of substance to the people in this state now. We really cannot afford to wait. They certainly cannot afford to wait. Their futures, their pay checks, and their livelihoods are all subject to question.

This is a difficult issue, but I do believe that the right decision to make is to do something today, now, posthaste, as quickly as possible for the people of this state. We have to do something economically now. We cannot wait and watch Rome burn.

Senator Cropsey's statement is as follows:

I will be reluctantly voting for this legislation. This is being done, as it is, with a lot of legislation. It is not being done in a perfect manner as far as everything you'd like to see happen, but at the same time, there is stuff that is being done with this. This part of the legislation, and I believe the following bill is, I believe, exceptionally crucial to what is being done here. Michigan is one of the top states as far as patents being issued in this country. You have a lot of creative people, especially in our institutions of higher education, who have received a tremendous amount of several research dollars. I believe the University of Michigan, for example, receives more federal research dollars than any other public institution in the United States. We have patents, we have creative thinking, that is being done in this state. What we don't have is the commercialization of those patents.

When it comes to venture capital, angel investments, that type of thing, those funders, those investors are on the East Coast and on the West Coast. One of the key things we need is to say, "What does it take to get that type of investment going here in the state of Michigan?" This, I believe, is one of the key things in this proposal—trying to prime the pump on that type of investment. Is it risky? Yes, it is risky. Will some of these fail? Some of them will certainly fail. Will some of them actually happen, though? Well, when you see investors trying to lure people away to the East Coast and West Coast and set up those businesses there, some of them are bound to be successful, and I think it's better to have those jobs here in Michigan and developed here in Michigan than have them attracted to California or attracted to the East Coast.

And I say this is only a partial answer—it's an imperfect answer—and that's because we do need much more to be done in the state of Michigan. By no means should we look at this as saying this is the end-all and be-all—that this is the silver bullet. I do appreciate the people who have worked on this because they've worked very diligently. I think they've come up with a very creative part to the solution, but there are other parts that this Governor needs to recognize are very important for job creation in this state. This Governor is now presiding over a state where the unemployment is virtually the worst in the nation. It's been that way for the term of her governorship. She needs to take a look at some of the more mundane things and say what has she done or hasn't done that needs to be corrected—some of the other things that need to be looked at. I challenge the Governor to look at this—at the regulatory attitude of the bureaucracy of this state since she has become Governor. Our Department of Treasury is becoming very insistent on people paying taxes even though they are not due. If you talk to small business people who are being harassed by tax auditors, they're saying, "Why should we stay in Michigan when we can go elsewhere?" If you take a look at the DEQ and the environmentalists who are unleashed in that department who have not been held back by this Governor, people are saying, "How come I can't expand? How come I cannot get permits? How come it takes so long when in other states it's being done rapidly and quickly?" That's a huge problem that we have in this state.

Another key thing that we're going to need to do is we are going to need to address the single business tax and the tax structure in this state, besides doing venture capital. What I mean by that is that the single business tax is the only tax like it in the United States. It's a value-added tax—a European model. This has had a dramatic decline, or a dramatic influence on our state's economy when we have businesses that are saying, "Why should we even consider Michigan when they have this type of tax structure; that if we make money, we pay taxes and if we lose money, we pay taxes." I would encourage the Governor to take a serious look at the single business tax and say, "What are we going to do to do something dramatically and just plain get rid of it?"

The final thing, then, if taxes are going to be cut, which they should be cut, is taking a look at the spending problem that we have. When this Governor ran for Governor, she talked about a structural deficit.

The gentleman who just asked for the point of order, I believe, when he spoke, he spoke about glowing terms on how this was kind of an end-all and be-all, and I'm just making the point that this is not an end-all and be-all. There is much more that needs to be done on some of the deficiencies of this package of legislation. That's the point that I was trying to make on this final point that I had. We do have to get spending under control and this is one of the things that, as we go into the appropriations process again, to realize that we not only have a budget that needs to be balanced, but a budget that significantly needs to be cut. I would hope that the administration would offer that so that we can afford the tax reduction that our businesses so desperately need.

Senator Switalski's statement is as follows:

I was actually going to talk about the bill, so I'll just proceed. I've been wrestling with this issue for some time. It's a very difficult call. I prefer the version that emerged from this chamber many months ago which involved bonding. Let me add that I thought that the Senate actually improved on the original administration proposal with what emerged from this chamber, and I have misgivings about the use of securitization of the tobacco dollars. This will exacerbate our structural deficit and negatively impact funding for public health, and we'll pay a high premium for these securitized dollars. I think most of my colleagues share some of these reservations about the bills.

The question before us, though, is whether this jobs initiative shall proceed, and I don't think it's a partisan issue. There have been supporters and detractors of the bills on both sides of the aisle. The plan before us is not the plan each of us might have preferred, but it is the only plan before us that commands a majority. The government has a chance to promote economic growth and jobs and transformation—and that's the key. We can pursue that chance, but it does entail risk and cost. Reasonable people will differ on this venture. As I said, it's a close call. With all its flaws, I will support this venture. Let each member vote their conscience, and let the wisdom of the majority rule.

Senator Jacobs' statement is as follows:

I rise in favor of this bill. I really applaud that this day has finally come, where members from both sides of the aisle can say, "It is time to move forward." I am so frustrated with the rhetoric that we keep hearing and trying to point blame and beat each other up in terms of what has or hasn't been done. Today, we're going to move forward. I want to challenge those folks who are in charge of the process right now—because those of us in the minority party are not in charge—to hear other good ideas in committees so that all ideas can be given full hearings so that we can altogether, all collectively move forward to help Michigan. We need to stop the partisanship, the political bickering, and keep our eyes on the true prize here, which is helping Michigan move forward. Let's forget about who's getting re-elected next year—in the next session.

As a former fundraiser, I just have to say it's always been my philosophy that you sometimes have to spend money to make money, and we see this when we invest money into advertising for tourism, for the lottery—that putting money upfront is helpful in terms of being able to make money later on.

So we are doing the right thing by doing this. I really applaud those of us who may have prompted certain pieces of this bill. We can still move forward for Michigan's sake. I'm very happy that we can finally vote on this.

Senator Sikkema's statement is as follows:

Since this is the last bill in this package, I want to offer my comments. I urge the members to pass it, and I'll explain why I'm supporting this enthusiastically.

With the passage of this package of bills, in my opinion, Michigan is making a major step forward in helping to diversify our economy. I think we're taking a major step forward in recognizing that Michigan's economic future and jobs future is going to look very different from our economic past in that we're taking a major step forward, frankly, in helping to change the economic culture of this state.

Now, a lot of the discussion, both on this floor and in committee and inside meetings, has been over the securitization—and I still stumble over that word—of a portion of the tobacco settlement that's due Michigan. It's an important discussion. There are different opinions on whether we ought to do that, but we shouldn't lose sight of the fact that that's the financing mechanism of a very comprehensive economic diversification package, and that's really the meat and potatoes of this package before us. It is very comprehensive. We're making a major step in creating more incentives to attract venture capital in this state by changing the Michigan Venture Fund, something this chamber started a couple of years ago. We're creating what's called a commercial pipeline for life sciences, which is a fancy way of saying a lot of states are doing basic research, but if you really want jobs and you really want companies coming out of life sciences research, you want to be the place in America for commercialization of that research. This life sciences pipeline concept hopefully will do that. It will make Michigan the place in America for products and drugs that need FDA approval. They can come here to go through that commercial pipeline to get that approval.

There's a bill in this package that we call angel investing. It's basically an incentive for wealthy individuals to commit some of their wealth to somewhat risky ventures here in Michigan, and the incentive is if you make money on that investment, we want you to roll that gain over and make similar investments in Michigan. That's part of this package—a critical piece.

Part of this package is a recognition that right now in Michigan, when a company expands by selling shares to get money to build and expand in this state, our franchise fees are onerous. There's a bill in this package to reduce those franchise fees so that doesn't happen; so that's not a barrier for economic growth.

There's a recognition in this package that we need jobs and expansion all across this state, not just in what I call the metropolitan or southern belt. That's important—that's where I'm from—but in rural Michigan and northern Michigan and the Upper Peninsula, we need job creation and expansion there. There's a deep recognition in this package with the Forest Development Authority and the Agriculture Development Fund and the commitment to tourism that they have to be part of our future as well.

There are pluses and minuses to doing this by committing some of our tobacco settlement versus a general obligation bond, which the Senate originally passed in June, but one of the advantages of doing it this way is that we can do it quickly. We can pass this bill. We can commit money virtually immediately to the various parts of this package, and I think that's an upside to this. There's a commitment. Again, we had this in the past; budget difficulties made us abandon this, but there's a commitment to re-create the capital access program, which is basically a program for the state to back up decisions banks make to loan to small companies that might be a little riskier than what they're used to making loans to.

I don't want members to lose sight of how comprehensive this economic diversification plan really is, and I am compelled to put this in some context. We're committing, in essence, a portion—about a third—of the tobacco settlement money that we get on an annual basis to this very comprehensive economic diversification plan. You know, it's not long ago—six years, in fact—where Governor John Engler said, "I want you to commit a portion of the tobacco settlement money—\$50 million a year for 20 years—interestingly \$1 billion—purely to do basic research in life sciences as an economic diversification plan." Now, I supported that. I thought it was a wise decision, but put this in some context. That Governor and the Legislature adopted it. We were willing to commit \$50 million a year to life sciences just to do basic research with no commitment and no emphasis on job creation. This plan commits a little bit more of the tobacco settlement money—between \$70 million and \$90 million a year—to do a much broader, comprehensive job diversification plan/economic diversification plan that's focused on job creation in the new economy.

I've heard comments about government shouldn't pick winners and losers. I appreciate that, but it reminds me of something that occurred in the early '90s. A former Majority Leader, who happened to be John Engler, ran for Governor and basically said the same thing. I applauded him at the time. Government shouldn't create winners and losers. He opposed any tax abatement plans in Michigan. He got elected Governor. Four years later, he proposed the creation of what is now called the MEGA credits, specifically-focused tax abatements for specific companies. Now, some of us at the time almost fell off our chairs. In fact, I want to relate an anecdote. I was in a leadership position in the House when he proposed it. I went to a legislative conference in Washington, D.C., where I had colleagues from all across the country. President Clinton was President. Robert Reich was Secretary of Labor. Robert Reich came in to speak to this group of legislators from all over America—from almost every state—and he gave a speech bemoaning these tax abatement plans that states had, saying how they were bad. I was feeling pretty good because I was going to come back to Michigan and challenge John Engler and say, "We shouldn't do this." Then, at the end of his speech, he said, "By the way, how many of you states have one of those?" Every state raised their hand except me, and why was that? And why did John Engler propose, after he was critical of that kind of strategy, that? Because, at the time, we were losing our shirt to other states that had that arrow in their quiver. It's not a be-all and end-all. It does have some problems, but John Engler recognized—and I voted for it eventually—that you need a lot of arrows in the quiver or a lot of tools in the toolbox.

Now, let me say that this plan, which I support and am convinced can help the economic future of this state, is not complete. Something is missing from this plan and that something is a significant tax cut for Michigan businesses. That has to be a piece of our economic future if we're really serious about doing what needs to be done to reposition this state for economic growth. I am going to ask this Senate, within a matter of days, to pass a business tax cut.

Something else is missing from this plan. We do need to focus on education, both higher education and K-12. I hope that some time in the near future—I won't say days; maybe it's a couple of weeks—but I hope that the Senate can look at our scholarship programs in Michigan and actually expand, not restrict, our scholarship programs. I have been critical of proposals from this Governor that have been designed to sort of eliminate some of our scholarship programs. I take the opposite approach. I think you need to expand the scholarship offer.

Is this a perfect plan? It's not a perfect plan. It's got some downsides. Other things have to be done that I've mentioned, but I think it's time for this state to take some what I will call prudent risks to help change the economic culture of this state because the restructuring that's going on is not a temporary restructuring. It is a permanent restructuring, and it is high time that we get ahead of that curve.

Senator Brown's statement is as follows:

I rise in support of the package before us. In doing so, I briefly just want to say that, of course, we must all appreciate the risk involved in leveraging securitized tobacco settlement dollars for the sake of job creation. Like the future of the economy itself, there is certainly uncertainty, but it is important, Mr. President, to keep one point of perspective in mind, and that point was emphasized by a previous speaker. To be sure, we are using taxpayers' dollars, yes, but these are not tax dollars. They are dollars that have come to this state through settlement, and because of that, we have more discretionary use of this money than if they were tax dollars collected from taxpayers.

By unanimous consent the Senate proceeded to the order of

Statements

Senators Hammerstrom, Garcia, Scott, Emerson, Leland and Bishop asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Hammerstrom's statement is as follows:

Colleagues, I rise to honor the fallen soldier for whom the flag flies at half-staff today, a soldier from my district who was laid to rest this past weekend. Army Private First Class Nicholas J. Greer of Monroe, Michigan, died October 7 while on patrol in Iraq near the Syrian border. He was 21.

Private First Class Greer enlisted in the Army in September of 2004. At that time, he told his mother he wanted to fight terrorism. However, Nick had earlier thoughts of being in the military. It was during a trip to Willow Run Airport that he told his mother someday he was going to jump out of airplanes. He was only two years old at the time. Nick graduated from boot camp in Fort Benning, Georgia, in March of 2005 as a first platoon leader and was one of only four graduates to be selected for airborne school. From Fort Benning, he traveled to Fort Bragg, North Carolina, and became a member of the 82nd Airborne.

While in the Army, PFC Greer was a sniper marksman, a skill which he began acquiring by playing paintball as a teenager. He was also part of a helicopter search-and-rescue team. Prior to being shipped to Iraq, Nick was stationed in Afghanistan. While PFC Greer's service to the country was cut short, his contributions were great.

Private First Class Greer is survived by his mother Kelly of Monroe; his stepfather Donald; sister Nicole, 27; and brother Naythen, 16. He is also survived by his grandparents, Richard and Retha Sortor, and his best friend since kindergarten, Shaun; as well as many friends and loved ones.

We offer all of them our condolences.

A moment of silence was observed in memory of Army Private First Class Nicholas J. Greer.

Senator Garcia's statement is as follows:

I think this is my final statement on that whole jobs plan effort. Basically, what I would like to do is thank the people who were involved in it because it was a tremendous effort, it involved a tremendous amount of hours, and as it was mentioned earlier, it was a bipartisan effort. Specifically, I would like to mention the fact that Representative Huizenga and his staff from the House, also the Speaker's staff, and Representative Dillon as well. The interesting thing about Representative Dillon is that as he participated in the workgroup, we never knew if he was speaking for the administration, speaking for the House, or speaking for himself, and we always appreciated his candor and his input.

Obviously, this could not have been done without the help and assistance of the administration with which we worked. We disagreed, we agreed, we pushed—we didn't shove—but we argued on policy and we appreciated their efforts on that.

Obviously, the Senate Fiscal Agency, specifically Gary Olson, Mary T.—Maria Tyszkiewicz—and Liz Pratt were very helpful; from the Service Bureau, Jon Bassett; also my staff was very helpful in this effort; and last but not least, the Senate Majority Policy Office staff, a number of folks there helped with the legal advice. I want to single out one person who was the one who stood head and shoulders for this thing, as far as I am concerned, and that is the efforts of one of our staff persons, Jamie Clover Adams, who was a real trooper who spent countless hours, long hours, came in early, stayed late on numerous occasions, and battled through all the little nuances of the bills. I just want to extend my appreciation to not only all of those who participated in putting this package together, but specifically to Jamie, who was a tremendous help for me. She is a real asset to this body and to the people of the state of Michigan.

Senator Scott's statement is as follows:

On yesterday, the Senator from the 12th District said I owe him an apology, but I did not mean what I said in a derogatory manner. I've been saying this for some time, that all the accidents do not happen in Detroit and that's all I said yesterday. But I will apologize for calling his name; that was the Senator from the 12th District.

But let me just say I was a little upset yesterday and it was because of an article that was in the *Detroit Free Press*, and I will read you a portion of that, that truly upset me. "Bishop (R-Rochester) said Scott's legislation ignores economic realities such as Detroit's high rate of stolen vehicles. He said Scott who is black is race-baiting and acting irresponsibly." Well, that did upset me because this has never been racially motivated. It's about those who live in certain zip codes, and I have made that very clear from the start when I first started this crusade. I said I would continue to stand here every day until my bills were taken up. Well, they have not been taken up yet, and I see that the mayor from Detroit will be coming up here tomorrow to speak on insurance, when he hasn't said a word about insurance in these last three years that I know of. But, yet, he is being given time and my bills are not being taken up.

Well, but I am glad that *The Grand Rapids Press* chose not to put those remarks in that same article. It was an article by David Eggert from *The Associated Press* and all of that article and more was printed in the *Free Press*, and that was the portion that I read to you today.

You know, there are some of my colleagues here who may have had silver spoons in their mouths. Well, I wasn't born with a silver spoon in my mouth, and my mission here is for everyone whom I represent. I am truly representing my district when I stand and fight for fair insurance rates every day. I have never asked for anything but fairness, and fairness, to me, is being charged for the kind of car that you drive and your driving record, no matter where you live in this state. You have the right to live wherever you choose to live. I don't believe that insurance companies have the right to charge you according to where we live.

So I will continue this crusade as long as we do not have affordable rates. I want that made perfectly clear, and I will continue to stand here and fight for it. I think my colleagues can stop me from talking. All they have to do is take up these bills. If you can hear from the mayor of Detroit, you can certainly take up my bills.

Senator Emerson's statement is as follows:

I rise to commend the Majority Leader for all of the work that he's put in, all that his staff has put in, working with the Governor and her staff, and trying to ensure that we put together a package that passed here earlier today that gives Michigan a fighting chance to compete for those jobs of the future. I think he did a remarkable job, I felt, on the passage of the bill. There was nothing left to be said after his very eloquent defense of the package and his explanation of why we ought to vote "yes." I would like to just commend him for all of the hard work that he put in. I know that this was introduced nearly six months ago, and I will tell you, in the ensuing six months, he has worked tirelessly to make sure that this happened. I think that it's a good day for the state of Michigan, a good day for the Senate that we have worked in a bipartisan way to put together a package that gives us that fighting chance. I think he deserves a lot of credit, and I would be remiss if I did not rise to acknowledge all of the positive things. Our hope is that, as we move forward, the House moves in a fashion similar to the Senate. As I say, I would like to just make sure that his efforts are acknowledged here on the floor by our side of the aisle.

Senator Leland's statement is as follows:

Mr. President and members, my colleague from Highland Park has been coming up to this podium for the last year or so or longer talking about the problems of insurance in Detroit, the high cost of insurance and all of the problems that our constituents have in regard to paying for their homeowners and their car insurance. I want to say to you, first of all, I want to thank you, Martha, for doing an outstanding job. Your heart is 100 percent in what you say and we love you for it. But I want to tell you, Mr. President and members, I find the mayor of Detroit coming up tomorrow to talk about insurance before the Banking and Financial Services Committee is a little bit disingenuous.

We have been dealing with this issue in Detroit for years. Our Mayor is a former member of the State Legislature. He knows well the problems that we have with insurance in Detroit. I just find the timing rather bizarre that, with his numbers going in the toilet, he would come up tomorrow, three weeks before the campaign, to finally make a statement and talk to the members of the committee and the chairperson about some of the problems we are having in Detroit. It's like, you know, this statement should have been made, or his presence should have been made and felt and heard many, many months ago, if not years ago. Again, I find the timing very strange and very disingenuous.

Senator Bishop's statement is as follows:

I want to clarify there was a reference today made about a quote, apparently of mine, in the newspaper. If you read the newspaper, you'll see that is it not a quote of mine at all. Anybody who knows me, and anyone who knows anything about me, knows that I would not have made such a quote. If you go and read the article yourself, you will see that you actually need those little quote marks around the words to make it a quote. I take exception with that. That is, once again, another attempt to try spin this whole issue in a direction that it shouldn't go in.

As to the appearance of the mayor of the city of Detroit this week, I want the members to know, and my colleague who is also on the committee to know, that invitation has been out to the good mayor for a long time now. He's been gracious enough to send his staff and to talk to me about issues. It is kind of ironic that I am getting attacked now for having him up here. On one hand, I am being told that I am not doing enough for the city of Detroit, and the one day that I get the Mayor himself to come up and explain the issues of Detroit, I get jammed up for that too. So I am not really sure where you want me to go on this and what I can do to satisfy.

I do not like to stand up and respond every single day of the week, and I won't. But at some point in time, there has got to be an effort made to take genuine, meaningful steps forward, and if you all want to sit around and talk politics and fire the rhetoric at me every day, be personal and what ever you want to do, that's fine. In the meantime, the issue continues on, the problems continue on, and we have done nothing. Before we start pointing the finger and saying who is responsible for this mess, we may want to take a good look in the mirror.

Committee Reports

The Committee on Transportation reported

House Bill No. 4315, entitled

A bill to amend 1909 PA 283, entitled "An act to revise, consolidate, and add to the laws relating to the establishment, opening, discontinuing, vacating, closing, altering, improvement, maintenance, and use of the public highways and private roads; the condemnation of property and gravel therefor; the building, repairing and preservation of bridges; maintaining public access to waterways under certain conditions; setting and protecting shade trees, drainage, and cutting weeds and brush within this state; providing for the election or appointment and defining the powers, duties, and compensation of state, county, township, and district highway officials; and to prescribe penalties and provide remedies," by amending section 6 of chapter IV (MCL 224.6), as amended by 1982 PA 299.

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

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

Judson S. Gilbert II
Chairperson

To Report Out:

Yeas: Senators Gilbert, Kuipers, Goschka and Basham

Nays: None

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

The Committee on Transportation reported

House Bill No. 4316, entitled

A bill to amend 1966 PA 293, entitled "An act to provide for the establishment of charter counties; to provide for the election of charter commissioners; to prescribe their powers and duties; to prohibit certain acts of a county board of commissioners after the approval of the election of a charter commission; to prescribe the mandatory and permissive provisions of a charter; to provide for the exercise by a charter county of certain powers whether or not authorized by its charter; and to prescribe penalties and provide remedies," by amending section 14 (MCL 45.514), as amended by 1982 PA 300.

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

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

Judson S. Gilbert II

Chairperson

To Report Out:

Yeas: Senators Gilbert, Kuipers, Goschka and Basham

Nays: None

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

The Committee on Transportation reported

House Bill No. 4317, entitled

A bill to amend 1973 PA 139, entitled "An act to provide forms of county government; to provide for county managers and county executives and to prescribe their powers and duties; to abolish certain departments, boards, commissions, and authorities; to provide for transfer of certain powers and functions; to prescribe powers of a board of county commissioners and elected officials; to provide organization of administrative functions; to transfer property; to retain ordinances and laws not inconsistent with this act; to provide methods for abolition of a unified form of county government; and to prescribe penalties and provide remedies," by amending section 12 (MCL 45.562).

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

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

Judson S. Gilbert II

Chairperson

To Report Out:

Yeas: Senators Gilbert, Kuipers, Goschka and Basham

Nays: None

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

The Committee on Transportation reported

House Bill No. 4718, entitled

A bill to amend 2001 PA 142, entitled "Michigan memorial highway act," (MCL 250.1001 to 250.2080) by adding section 78.

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

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

Judson S. Gilbert II

Chairperson

To Report Out:

Yeas: Senators Gilbert, Kuipers and Goschka

Nays: None

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

COMMITTEE ATTENDANCE REPORT

The Committee on Transportation submitted the following:

Meeting held on Tuesday, October 18, 2005, at 1:34 p.m., Room 110, Farnum Building

Present: Senators Gilbert (C), Kuipers, Goschka and Basham

Excused: Senator Leland

The Committee on Judiciary reported

Senate Bill No. 120, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," (MCL 760.1 to 777.69) by adding section 27a to chapter VIII.

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

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

Alan L. Cropsey
Chairperson

To Report Out:

Yeas: Senators Cropsey, Bishop, Patterson, Schauer, Bernero and Brater

Nays: None

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

The Committee on Judiciary reported

Senate Bill No. 263, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," (MCL 760.1 to 777.69) by adding sections 27a and 27b to chapter VIII.

With the recommendation that the substitute (S-4) be adopted and that the bill then pass.

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

Alan L. Cropsey
Chairperson

To Report Out:

Yeas: Senators Cropsey, Bishop, Patterson, Schauer, Bernero and Brater

Nays: None

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

The Committee on Judiciary reported

House Bill No. 4968, entitled

A bill to amend 1998 PA 386, entitled "Estates and protected individuals code," by amending sections 1104, 2301, 2519, 2908, 3715, 3804, 3919, 5202, 5204, 5217, 5301, 5308, 5423, 7401, 7502, and 7508 (MCL 700.1104, 700.2301, 700.2519, 700.2908, 700.3715, 700.3804, 700.3919, 700.5202, 700.5204, 700.5217, 700.5301, 700.5308, 700.5423, 700.7401, 700.7502, and 700.7508), sections 1104, 2519, 5202, 5204, 5301, and 5308 as amended by 2000 PA 54, sections 2301 and 3715 as amended by 2004 PA 314, section 5423 as amended by 2000 PA 469, and section 7508 as amended by 2000 PA 177.

With the recommendation that the bill pass.

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

Alan L. Cropsey
Chairperson

To Report Out:

Yeas: Senators Cropsey, Bishop, Patterson, Schauer, Bernero and Brater

Nays: None

The bill was referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Judiciary submitted the following:

Meeting held on Tuesday, October 18, 2005, at 1:38 p.m., Room 210, Farnum Building
Present: Senators Cropsey (C), Bishop, Sanborn, Patterson, Schauer, Bernero and Brater

COMMITTEE ATTENDANCE REPORT

The Committee on Commerce and Labor submitted the following:

Meeting held on Tuesday, October 18, 2005, at 3:00 p.m., Room 100, Farnum Building
Present: Senators Allen (C), Toy, McManus, Schauer and Olshove

Scheduled Meetings**Appropriations -****Subcommittees -**

Agriculture, Joint Senate/House - Tuesday, October 25, 9:00 a.m., Room 426, Capitol Building (373-5932)

Capital Outlay - Thursday, October 20, 9:00 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-2523)

Higher Education - Wednesday, November 2, 8:30 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-1760)

Banking and Financial Institutions - Thursday, October 20, 12:00 noon, Senate Hearing Room, Ground Floor, Boji Tower (373-2417) (CANCELED)

Education - Thursday, October 20, 2:00 p.m., Room 210, Farnum Building (373-6920)

Legislative Retirement Board of Trustees -**Subcommittee -**

Investment - Thursday, October 20, 2:30 p.m., Room 929, South Tower, House Office Building (373-0575)

Local, Urban and State Affairs - Thursday, October 20, 1:00 p.m., Room 110, Farnum Building (373-1707)

Michigan Capitol Committee - Tuesday, November 8, 3:00 p.m., Room 426, Capitol Building (373-0289)

Senate Fiscal Agency Board of Governors - Thursday, October 27, 9:00 a.m., Room S-101, Capitol Building (373-0797)

Senator Hammerstrom moved that the Senate adjourn.
The motion prevailed, the time being 12:51 p.m.

The President, Lieutenant Governor Cherry, declared the Senate adjourned until Thursday, October 20, 2005, at 10:00 a.m.

CAROL MOREY VIVENTI
Secretary of the Senate

