No. 68 JOURNAL OF THE SENATE

Senate Chamber, Lansing, Wednesday, October 10, 2001.

10:00 a.m.

The Senate was called to order by the Assistant President pro tempore, Senator Philip E. Hoffman.

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

Bennett—present
Bullard—present
Byrum—present
Cherry—present
DeBeaussaert—present
DeGrow—present
Dingell—present
Dunaskiss—present
Emerson—present
Emmons—present
Garcia—present
Gast—present
Goschka—present

Gougeon—present
Hammerstrom—present
Hart—excused
Hoffman—present
Johnson—present
Koivisto—present
Leland—present
McCotter—present
McManus—excused
Miller—present
Murphy—present
North—present

Peters—present
Schuette—present
Schwarz—present
Scott—present
Shugars—present
Sikkema—present
Smith—present
Steil—present
Stille—present
Van Regenmorter—present

Vaughn—excused Young—present Pastor Ryan Beilfuss of First Baptist Church of Evart offered the following invocation:

Father, I love You today and thank You for the privilege to live in this land. And, Lord, we thank You for this, another day, You've given to serve You.

Father, You've said in James, Chapter 1: "If any of you lack wisdom, let him ask of God, that giveth to all men liberally, and upbraideth not." I believe You would have us to be humble enough, each one of us, to recognize that we lack wisdom in some area, and we ask You for that today.

Lord, I come before You on behalf of each individual in this body asking that You would provide wisdom and guidance that they might make decisions that would be beneficial and productive to the citizens of Michigan, and more importantly, that they would make decisions that would be pleasing in Your sight today.

Please remind us and help us to be keenly aware that right and wrong is determined by Your Word, and Father, we would ask that You would help us to walk in that light today. Thank You now for the salvation You offer through Jesus. Father, we ask these things in His name. Amen.

Motions and Communications

Senator Emmons moved that Senators Dunaskiss and Garcia be temporarily excused from today's session. The motion prevailed.

Senator Emmons moved that Senator McManus be excused from today's session. The motion prevailed.

Senator Smith entered the Senate Chamber.

Senator Emerson moved that Senator Hart be excused from today's session. The motion prevailed.

The following communications were received: Michigan Department of State

Administrative Rules Notices of Filing

April 26, 2001

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Office of Regulatory Reform, Legal Division filed at 10:25 a.m. this date, administrative rule (01-04-08) for the Department of Consumer and Industry Services, Director's Office, entitled "Chiropractic," effective 7 days hereafter.

September 5, 2001

In accordance with the provisions of Sectoin 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Office of Regulatory Reform, Legal Division filed at 4:30 p.m. this date, administrative rule (01-09-02) for the Department of Treasury, Sales, Use, and Withholding Taxes Division, entitled "Airport Parking Tax," effective 15 days hereafter.

September 5, 2001

In accordance with the provisions of Secton 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Office of Regulatory Reform, Legal Division filed at 4:32 p.m. this date, administrative rule (01-09-03) for the Department of Natural Resources, Law Enforcement Division, entitled "Special Local Watercraft Controls," effective 7 days hereafter.

September 26, 2001

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Office of Regulatory Reform, Legal Division filed at 4:05 p.m. this date, administrative rule (01-09-04) for the Department of Consumer and Industry Services, Director's Office, entitled "Sanding Machines," effective 7 days hereafter.

September 26, 2001

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Office of Regulatory Reform, Legal Division filed at 4:07 p.m. this date, administrative rule (01-09-05) for the Department of Consumer and Industry Services, Director's Office, entitled "Forging Machines," effective 7 days hereafter.

September 26, 2001

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Office of Regulatory Reform, Legal Division filed at 4:09 p.m. this date, administrative rule (01-09-06) for the Department of Consumer and Industry Services, Director's Office, entitled "Ventilation for Certain Hazardous Locations," effective 7 days hereafter.

Sincerely, Candice S. Miller Secretary of State Elena L. Beasley, Manager Office of the Great Seal

The communications were referred to the Secretary for record.

The following communication was received: Office of the Auditor General

October 8, 2001

Enclosed is a copy of the following audit report and/or executive digest:

Performance Audit of the Motor Fuel, IFTA/Motor Carrier, Tobacco Taxes and Registration Division, Department of Treasury, October 2001.

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

The communication was referred to the Secretary for record.

Senator Garcia entered the Senate Chamber.

Messages from the House

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

Senate Bill No. 404

Senate Bill No. 405

Senate Bill No. 406

Senate Bill No. 410

The motion prevailed.

Senate Bill No. 402, entitled

A bill to amend 1976 PA 223, entitled "An act to create an agency concerned with crime victim services; to prescribe its powers and duties; to provide compensation to certain victims of crimes; to provide for the promulgation of rules; and to provide for penalties," by amending section 16 (MCL 18.366), as amended by 1996 PA 519.

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. 403, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 11 of chapter XVII (MCL 777.11), as amended by 2000 PA 492.

The House of Representatives has amended the bill as follows:

1. Amend page 6, line 4, by striking out "September 1, 2001" and inserting "January 1, 2002".

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

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

Senate Bill No. 407, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 15 of chapter XVII (MCL 777.15), as amended by 2000 PA 279.

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

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

A bill to amend 1927 PA 175, entitled "An act to revise, consolidate, and codify the laws relating to criminal procedure and to define the jurisdiction, powers, and duties of courts, judges, and other officers of the court under the provisions of this act; to provide laws relative to the rights of persons accused of criminal offenses and ordinance violations; to provide for the arrest of persons charged with or suspected of criminal offenses and ordinance violations; to provide for bail of persons arrested for or accused of criminal offenses and ordinance violations; to provide for the examination of persons accused of criminal offenses; to regulate the procedure relative to grand juries, indictments, informations, and proceedings before trial; to provide for trials of persons complained of or indicted for criminal offenses and ordinance violations and to provide for the procedure in those trials; to provide for judgments and sentences of persons convicted of criminal offenses and ordinance violations; to establish a sentencing commission and to prescribe its powers and duties; to provide for procedure relating to new trials and appeals in criminal and ordinance violation cases; to provide a uniform system of probation throughout this state and the appointment of probation officers; to prescribe the powers, duties, and compensation of probation officers; to provide penalties for the violation of the duties of probation officers; to provide for procedure governing proceedings to prevent crime and proceedings for the discovery of crime; to provide for fees of officers, witnesses, and others in criminal and ordinance violation cases; to set forth miscellaneous provisions as to criminal procedure in certain cases; to provide penalties for the violation of certain provisions of this act; and to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act," by amending section 15 of chapter XVII (MCL 777.15), as amended by 2001 PA 10.

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

By unanimous consent the Senate proceeded to the order of

General Orders

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

The motion prevailed, and the Assistant President pro tempore, Senator Hoffman, designated Senator Smith as Chairperson.

After some time spent therein, the Committee arose; and, the President pro tempore, Senator Schwarz, having assumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bill:

House Bill No. 4360, entitled

A bill to make, supplement, and adjust appropriations for the department of consumer and industry services for the fiscal year ending September 30, 2002; to provide for the expenditure of the appropriations; and to prescribe certain conditions for the appropriations.

The bill 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. 675, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending sections 12 and 17 (MCL 777.12 and 777.17), section 12 as amended by 2001 PA 104 and section 17 as amended by 2000 PA 300.

Substitute (S-1).

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

1. Amend page 11, line 2, by striking out "January" and inserting "February".

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

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill: **House Bill No. 4813, entitled**

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 319 and 732 (MCL 257.319 and 257.732), as amended by 2000 PA 460.

Substitute (S-2).

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

1. Amend page 18, line 19, by striking out "January" and inserting "February".

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

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill: **House Bill No. 4924, entitled**

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 2103 (MCL 500.2103), as amended by 1990 PA 305.

Substitute (S-1).

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

1. Amend page 9, line 10, by striking out "January" and inserting "February".

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

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill: **House Bill No. 4925, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 82147 (MCL 324.82147), as added by 1995 PA 58.

Substitute (S-1).

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

1. Amend page 3, line 25, by striking out "January" and inserting "February".

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

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill: **House Bill No. 4735, entitled**

A bill to amend 1961 PA 120, entitled "An act to authorize the development or redevelopment of principal shopping districts and business improvement districts; to permit the creation of certain boards; to provide for the operation of principal shopping districts and business improvement districts; and to authorize the collection of revenue and the bonding of certain cities for the development or redevelopment projects," by amending sections 1, 2, 3, 5, and 7 (MCL 125.981, 125.982, 125.983, 125.985, and 125.987), sections 1, 2, 3, and 5 as amended by 1999 PA 49 and section 7 as added by 1992 PA 146.

Substitute (S-2).

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

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill: **House Bill No. 4736, entitled**

A bill to amend 1961 PA 120, entitled "An act to authorize the development or redevelopment of principal shopping districts and business improvement districts; to permit the creation of certain boards; to provide for the operation of principal shopping districts and business improvement districts; and to authorize the collection of revenue and the bonding of certain cities for the development or redevelopment projects," (MCL 125.981 to 125.987) by adding chapter 2. 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

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

House Bill No. 4345

House Bill No. 4776

House Bill No. 4774

House Bill No. 4783

House Bill No. 4784

House Bill No. 4819

Senate Bill No. 592

Senate Bill No. 604

Senate Bill No. 605

Senate Bill No. 517

The motion prevailed.

The following bill was read a third time:

House Bill No. 4345, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 21773 (MCL 333.21773).

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. 327 Yeas—33

Bennett Garcia Leland Scott Bullard Gast McCotter Shugars Byrum Goschka Miller Sikkema Cherry Gougeon Murphy Smith DeBeaussaert Hammerstrom North Steil Hoffman Peters **DeGrow** Stille Dingell Johnson Schuette Van Regenmorter

Emerson Koivisto Schwarz

Young

Emmons

Nays—0

Excused—4

Dunaskiss Hart McManus Vaughn

Not Voting—0

In The Chair: Schwarz

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 protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates,".

The Senate agreed to the full title.

Senator Dunaskiss entered the Senate Chamber.

The following bill was read a third time:

House Bill No. 4776, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending sections 16131, 16263, and 21720 (MCL 333.16131, 333.16263, and 333.21720), sections 16131 and 16263 as amended by 2000 PA 11, and by adding section 16328 and part 173; and to repeal acts and parts of acts.

The question being on the passage of the bill,

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

Yeas—34 Roll Call No. 328

Bennett **Emmons** Leland Scott Bullard Garcia McCotter Shugars Byrum Sikkema Gast Miller Murphy Smith Cherry Goschka DeBeaussaert Gougeon North Steil DeGrow Hammerstrom Peters Stille Dingell Hoffman Schuette Van Regenmorter

Dunaskiss Schwarz Johnson Young

Emerson Koivisto

Navs-0

Excused—3

Hart McManus Vaughn

Not Voting—0

In The Chair: Schwarz

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 protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates,".

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 4774, entitled

A bill to amend 1962 PA 174, entitled "Uniform commercial code," by amending sections 9311 and 9616 (MCL 440.9311 and 440.9616), section 9311 as amended and section 9616 as added by 2000 PA 348.

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. 329 Yeas—34

Bennett **Emmons** Scott Leland Bullard Garcia McCotter Shugars **Byrum** Gast Miller Sikkema

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CherryGoschkaMurphySmithDeBeaussaertGougeonNorthSteilDeGrowHammerstromPetersStille

Dingell Hoffman Schuette Van Regenmorter

Dunaskiss Johnson Schwarz Young
Emerson Koivisto

Nays-0

Excused—3

Hart McManus Vaughn

Not Voting—0

In The Chair: Schwarz

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 enact the uniform commercial code, relating to certain commercial transactions in or regarding personal property and contracts and other documents concerning them, including sales, commercial paper, bank deposits and collections, letters of credit, bulk transfers, warehouse receipts, bills of lading, other documents of title, investment securities, leases, and secured transactions, including certain sales of accounts, chattel paper and contract rights; to provide for public notice to third parties in certain circumstances; to regulate procedure, evidence and damages in certain court actions involving such transactions, contracts or documents; to make uniform the law with respect thereto; to make an appropriation; to provide penalties; and to repeal certain acts and parts of acts,".

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 4783, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 3355 (MCL 500.3355). 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. 330

Yeas—33

Bennett Emmons Koivisto Scott Bullard Garcia Leland Shugars Byrum Gast McCotter Sikkema Cherry Goschka Murphy Smith DeBeaussaert Gougeon North Steil DeGrow Hammerstrom Peters Stille Dingell Hoffman Schuette Van Regenmorter Dunaskiss Johnson Schwarz Young

Emerson

Nays—1

Excused—3

Hart McManus Vaughn

Not Voting—0

In The Chair: Schwarz

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

The Senate agreed to the full title.

Protest

Senator Miller, under his constitutional right of protest (Art. 4, Sec. 18), protested against the passage of House Bill No. 4783.

Senator Miller's statement is as follows:

I voted "no" on that bill because I have some serious reservations about the placement center. I don't think that we go far enough to let people—once you get in that center for your driving record, you pay exorbitant fees for insurance. I just think that it's difficult enough to find insurance, but when you're in that placement center, sometimes I don't think we go far enough to give people the opportunity to get out of that placement center. That's why I voted against the bill.

I think that people need a second chance in life, and auto insurance sometimes runs higher than the car payment. I voted against it, and I think that we need to take a look at the placement center to find relief and give people the opportunity after a length of time to correct their driving skills and be able to find competitive prices and fair prices.

The following bill was read a third time:

House Bill No. 4784, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 3230 (MCL 500.3230). 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. 331 Yeas—33

Bennett **Emmons** Leland Bullard Garcia McCotter Byrum Gast Miller Goschka Cherry Murphy DeBeaussaert Gougeon North DeGrow Hammerstrom Peters Dingell Johnson

Schuette Van Regenmorter

Scott

Smith

Steil

Stille

Shugars Sikkema

Schwarz Young

Nays—0

Excused—3

Hart McManus Vaughn

Koivisto

Not Voting—1

Hoffman

Dunaskiss

Emerson

In The Chair: Schwarz

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

The Senate agreed to the full title.

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

Senator Hoffman entered the Senate Chamber.

The following bill was read a third time:

House Bill No. 4819, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 224 (MCL 500.224), as amended by 2000 PA 252; and to repeal acts and parts of acts.

The question being on the passage of the bill,

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

Roll Call No. 332 Yeas—34

Bennett	Emmons	Leland	Scott
Bullard	Garcia	McCotter	Shugars
Byrum	Gast	Miller	Sikkema
Cherry	Goschka	Murphy	Smith
DeBeaussaert	Gougeon	North	Steil
DeGrow	Hammerstrom	Peters	Stille
Dingell	Hoffman	Schuette	Van Regenmorter
Dunaskiss	Johnson	Schwarz	Young
Emerson	Koivisto		_

Nays—0

Excused—3

Hart McManus Vaughn

Not Voting—0

In The Chair: Schwarz

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

The Senate agreed to the full title.

The following bill was read a third time:

Senate Bill No. 592, entitled

A bill to amend 1984 PA 218, entitled "Third party administrator act," by amending sections 14 and 18 (MCL 550.914 and 550.918); and to repeal acts and parts of acts.

The question being on the passage of the bill,

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

Roll Call No. 333

Yeas-34

Bennett	Emmons	Leland	Scott
Bullard	Garcia	McCotter	Shugars
Byrum	Gast	Miller	Sikkema
Cherry	Goschka	Murphy	Smith
DeBeaussaert	Gougeon	North	Steil
DeGrow	Hammerstrom	Peters	Stille
Dingell	Hoffman	Schuette	Van Regenmorter
Dunaskiss	Johnson	Schwarz	Young
Emerson	Koivisto		•

Nays—0

Excused—3

Hart McManus Vaughn

Not Voting—0

In The Chair: Schwarz

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 604, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending sections 2468 and 2662 (MCL 500.2468 and 500.2662).

Yeas—34

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. 334

Bennett Emmons Leland Scott
Bullard Garcia McCotter Shugars

Sikkema Byrum Gast Miller Goschka Smith Cherry Murphy DeBeaussaert Gougeon Steil North DeGrow Hammerstrom Peters Stille Van Regenmorter Dingell Hoffman Schuette

Dunaskiss Johnson Schwarz Young

Emerson Koivisto

Nays—0

Excused—3

Hart McManus Vaughn

Not Voting—0

In The Chair: Schwarz

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 605, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 3114 (MCL 500.3114), as amended by 1984 PA 372.

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. 335 Yeas—34

Bennett **Emmons** Leland Scott Bullard Garcia McCotter Shugars Byrum Gast Miller Sikkema Cherry Goschka Murphy Smith DeBeaussaert Gougeon North Steil DeGrow Hammerstrom Peters Stille

Dingell Hoffman Schuette Van Regenmorter

Dunaskiss Johnson Schwarz Young

Koivisto Emerson

Nays-0

Excused—3

Hart McManus Vaughn

Not Voting—0

In The Chair: Schwarz

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 517, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 16221 (MCL 333.16221), as amended by 2000 PA 29.

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. 336

Yeas—34

Bennett Emmons Leland Scott Bullard Garcia McCotter Shugars Byrum Gast Miller Sikkema Cherry Goschka Murphy Smith North DeBeaussaert Gougeon Steil **DeGrow** Hammerstrom Peters Stille Dingell Hoffman Schuette Van Regenmorter

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Dunaskiss Johnson Schwarz Young

Emerson Koivisto

Nays—0

Excused—3

Hart McManus Vaughn

Not Voting—0

In The Chair: Schwarz

The Senate agreed to the title of the bill.

By unanimous consent the Senate proceeded to the order of

Resolutions

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

Senate Concurrent Resolution No. 11

The motion prevailed.

House Concurrent Resolution No. 4.

A resolution to express legislative intent that the Department of Natural Resources should strive to acquire land in the Keweenaw Peninsula.

Whereas, Over the past few years, discussions have taken place between private landowners, private companies, and officials of the Department of Natural Resources concerning parcels of property at the tip of the Keweenaw Peninsula; and

Whereas, As the DNR studies possible land exchanges between private landowners, private companies, and the state, ascertaining the true value of the lands in question is essential. This evaluation must weigh more than economic criteria alone. Potential exchanges would impact forest, wildlife, and recreational resources for many years. A central concern is any influence that the exchange could have on the environment; and

Whereas, While we respect and encourage the sentiments of those hesitant to relinquish state-managed lands, many of which are rich in timber, other parcels of land in the Keweenaw Peninsula offer unique qualities the state should protect. Currently, the state does not manage these parcels that are among the most dramatic and beautiful areas in our state. The parcels include miles of beautiful Lake Superior shoreline, waterfalls, wildlife, and vistas unsurpassed as attractions for recreation. It would be a shame to lose these gifts for future generations of our citizens. Clearly, any exchanges should be made with a commitment to fairness and an eye to protection of unique resources; and

Whereas, After considerable discussion, including proposals for a trade of certain lands, the state recently approved purchase of a specific parcel of land at the tip of the Keweenaw Peninsula. With the passage of Enrolled Senate Bill No. 291, the state will purchase nearly 6,000 acres at the eastern end of the peninsula. This purchase is an excellent example of policies the state should pursue. This land includes 3 beautiful lakes, 5 miles along the Montreal River, and 6 miles of Lake Superior shoreline. Gaining this unique property for future generations—without giving up other valuable acreage—will greatly benefit our state far into the future; now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That we express legislative intent that the Department of Natural Resources should continually strive to acquire and preserve land in the Keweenaw Peninsula. We urge that the DNR weigh carefully the impact on the state's timber reserves; and be it further

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

The House of Representatives has adopted the concurrent resolution.

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

Senator Emmons 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 concurrent resolution,

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

The motion prevailed.

Senators Bennett, Bullard, Young, Stille, Steil, Garcia, Hammerstrom, Goschka and Shugars offered the following resolution:

Senate Resolution No. 118.

A resolution to memorialize the Congress and the President of the United States to provide emergency supplemental appropriations to strengthen security and increase staffing at United States-Canadian border crossings.

Whereas, For generations, the friendly, shared border of 4,000 miles between our country and our Canadian neighbors has been a symbol of the blessings of peace. The recent terrorist attacks have, however, shattered our sense of security and prompted a reexamination of how we can better protect ourselves; and

Whereas, A major component of any new strategy must be making a stronger investment of resources and personnel along our northern border, especially at the crossings between the United States and Canada. The free flow of people and materials crossing our northern border every day reflects our close economic and cultural ties with Canada. The hard lessons learned on September 11, 2001, make it clear that greater scrutiny must be applied at entry points. The United States Customs Service processed 489 million passengers in 2000. To monitor this volume of traffic effectively, especially in the era of increased terrorist threats we now face, will require a far greater allocation of staffing, funding, and technology; and

Whereas, There is widespread agreement that the Customs Service and the Immigration and Naturalization Service are seriously understaffed. This seems to be especially true along our Canadian border when compared to efforts along the Mexican frontier. Allocating a significant portion of the emergency appropriations the President has called for is fundamentally important to our national security and the security of our Canadian neighbors; now, therefore, be it

Resolved by the Senate, That we memorialize Congress and the President of the United States to provide emergency supplemental appropriations to strengthen security and increase staffing at United States-Canadian border crossings; and be it further

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

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

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

The resolution was adopted.

Senator Emmons moved that rule 3.204 be suspended to name Senators Byrum, Cherry, DeBeaussaert, DeGrow, Dingell, Dunaskiss, Emerson, Emmons, Gast, Gougeon, Hart, Johnson, Koivisto, Leland, McCotter, McManus, Miller, Murphy, North, Peters, Schuette, Schwarz, Scott, Sikkema, Smith, Van Regenmorter and Vaughn and the Lieutenant Governor as co-sponsors of the resolution.

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

Senate Concurrent Resolution No. 30.

A concurrent resolution to create a commission to review all aspects of public school academies in Michigan.

(For text of resolution, see Senate Journal No. 66, p. 1740.)

The House of Representatives has adopted the concurrent resolution.

The concurrent resolution was referred to the Secretary for record.

By unanimous consent the Senate proceeded to the order of

Statements

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

The motion prevailed.

Senator Hoffman's statement is as follows:

In my effort to fly below the radar screen here, I appreciate being singled out. The reason I didn't want to be part of Senate Resolution No. 118 is because of a potential future conflict of interest, and I think that should be noted in the record.

By unanimous consent the Senate returned to the order of

Introduction and Referral of Bills

Senators Bullard and McCotter introduced

Senate Bill No. 697, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 5510 (MCL 324.5510).

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

Committee Reports

COMMITTEE ATTENDANCE REPORT

The Committee on Health Policy submits the following:

Meeting held on Tuesday, October 9, 2001, at 3:00 p.m., Room 100, Farnum Building

Present: Senators Shugars (C), Hammerstrom, Schwarz, Byrum and Emerson

Scheduled Meetings

Detroit Metro Airport Review - Thursday, October 11, 1:00 p.m., Room 810, Farnum Building (373-1801)

Economic Development, International Trade and Regulatory Affairs - Tuesdays, October 16 and October 23, 1:00 p.m., Room 110, Farnum Building (373-7946)

Farming, Agribusiness and Food Systems - Wednesday, October 17, 1:00 p.m., Room 405, Capitol Building (373-1725)

Government Operations - Thursday, October 11, 1:00 p.m. or later immediately following session, Senate Hearing Room, Ground Floor, Michigan National Tower (373-1707)

Great Lakes Conservation Task Force - Thursday, October 18, 6:00 p.m., Northern Michigan University, Don H. Bollum University Center, Ontario Room, 2nd Floor, 1401 Presque Isle Avenue, Marquette; Tuesday, October 30, 6:00 p.m., City of Port Huron Municipal Office Center, 100 McMorran Boulevard, Port Huron; Monday, November 5, 6:00 p.m., St. Joseph Public Library, 500 Market, St. Joseph; Monday, November 26, 6:00 p.m., Saginaw Valley State University, Curtis Center, 2250 Pierce Road, University Center (373-0797)

Senator Emmons moved that the Senate adjourn.

The motion prevailed, the time being 10:57 a.m.

The President pro tempore, Senator Schwarz, declared the Senate adjourned until Thursday, October 11, at 10:00 a.m.