

**No. 94**  
**STATE OF MICHIGAN**  
**Journal of the Senate**  
**93rd Legislature**  
**REGULAR SESSION OF 2005**

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Senate Chamber, Lansing, Tuesday, October 25, 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 not 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 Dr. Amos G. Johnson of New Bethel Missionary Church of Pontiac offered the following invocation:

Heavenly Father, we come before You this morning to ask Your forgiveness and to seek Your direction and the guiding that God has given us to carry on this morning. We know that through You, all blessings flow. We pray, our heavenly Father, that You grant the legislators the charge and the understanding and the courage they need to carry on this morning. Give them, Lord, strength to know where to go, when to go, and how to go. We pray that they know and keep comfort of everything in the mind and that they do what You want done, Lord, and the way they should do it and then knowing that You are carrying them in Your arms. We pray that they would know that God is the Finalist, the One who keeps us together and who carries us on as we go.

In the mighty name of Jesus, right now, in His name we pray. Amen.

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

### Recess

Senator Hammerstrom moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 10:05 a.m.

11:27 a.m.

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

During the recess, Senators Stamas, Gilbert, Cassis, Patterson, Toy, Hardiman, Sanborn, Garcia, Allen, Brown, McManus, Sikkema, Johnson, Kuipers, Cropsey, Jelinek, George, Birkholz, Van Woerkom and Goschka entered the Senate Chamber.

A quorum of the Senate was present.

### Motions and Communications

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

**Senate Bill No. 246**

**Senate Bill No. 318**

The motion prevailed.

The Secretary announced that the following House bills were received in the Senate and filed on Thursday, October 20:  
**House Bill Nos. 5052 5133**

The Secretary announced that the following House bill was received in the Senate and filed on Friday, October 21:  
**House Bill No. 5237**

The Secretary announced the enrollment printing and presentation to the Governor on Thursday, October 20, for her approval the following bill:

**Enrolled Senate Bill No. 798 at 4:02 p.m.**

The Secretary announced the enrollment printing and presentation to the Governor on Monday, October 24, for her approval the following bills:

**Enrolled Senate Bill No. 438 at 12:22 p.m.**

**Enrolled Senate Bill No. 719 at 12:24 p.m.**

**Enrolled Senate Bill No. 356 at 12:26 p.m.**

**Enrolled Senate Bill No. 419 at 12:28 p.m.**

The Secretary announced that the following official bills were printed on Thursday, October 20, and are available at the legislative website:

<b>Senate Bill Nos.</b>	<b>815</b>	<b>816</b>	<b>817</b>	<b>818</b>	<b>819</b>	<b>820</b>	<b>821</b>	<b>822</b>	<b>823</b>	<b>824</b>	<b>825</b>	<b>826</b>	<b>827</b>	<b>828</b>
	<b>829</b>	<b>830</b>	<b>831</b>	<b>832</b>										
<b>House Bill Nos.</b>	<b>5331</b>	<b>5332</b>	<b>5333</b>	<b>5334</b>	<b>5335</b>	<b>5336</b>	<b>5337</b>	<b>5338</b>						

The Secretary announced that the following official bills were printed on Friday, October 21, and are available at the legislative website:

<b>Senate Bill Nos.</b>	<b>833</b>	<b>834</b>	<b>835</b>	<b>836</b>									
<b>House Bill Nos.</b>	<b>5339</b>	<b>5340</b>	<b>5341</b>	<b>5342</b>	<b>5343</b>	<b>5344</b>	<b>5345</b>	<b>5346</b>	<b>5347</b>	<b>5348</b>	<b>5349</b>	<b>5350</b>	<b>5351</b>

### 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:

Date: October 20, 2005

Time: 9:14 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

**Enrolled Senate Bill No. 553 (Public Act No. 182), being**

An act to amend 1936 (Ex Sess) PA 1, entitled “An act to protect the welfare of the people of this state through the establishment of an unemployment compensation fund, and to provide for the disbursement thereof; to create certain other funds; to create the Michigan employment security commission, and to prescribe its powers and duties; to provide for the protection of the people of this state from the hazards of unemployment; to levy and provide for contributions from employers; to provide for the collection of such contributions; to enter into reciprocal agreements and to cooperate with agencies of the United States and of other states charged with the administration of any unemployment insurance law; to furnish certain information to certain governmental agencies for use in administering public benefit and child support programs and investigating and prosecuting fraud; to provide for the payment of benefits; to provide for appeals from redeterminations, decisions and notices of assessments; and for referees and a board of review to hear and decide the issues arising from redeterminations, decisions and notices of assessment; to provide for the cooperation of this state and compliance with the provisions of the social security act and the Wagner-Peyser act passed by the Congress of the United States of America; to provide for the establishment and maintenance of free public employment offices; to provide for the transfer of funds; to make appropriations for carrying out the provisions of this act; to prescribe remedies and penalties for the violation of the provisions of this act; and to repeal all acts and parts of acts inconsistent with the provisions of this act,” by amending section 11 (MCL 421.11), as amended by 1995 PA 25.

(Filed with the Secretary of State on October 20, 2005, at 10:40 a.m.)

Date: October 20, 2005

Time: 9:16 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

**Enrolled Senate Bill No. 501 (Public Act No. 183), being**

An act to amend 1999 PA 123, entitled “An act to amend 1893 PA 206, entitled “An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal acts and parts of acts,” by amending the title and sections 57, 59, 60, 61, 73c, 74, 87c, 107, 108, 131, 131c, and 131e (MCL 211.57, 211.59, 211.60, 211.61, 211.73c, 211.74, 211.87c, 211.107, 211.108, 211.131,

211.131c, and 211.131e), the title and section 59 as amended by 1983 PA 254, sections 57, 60, 61, 73c, 74, 108, 131, and 131c as amended by 1993 PA 291, section 87c as amended by 1988 PA 450, section 107 as amended by 1998 PA 378, and section 131e as amended by 1996 PA 476, and by adding sections 60a, 67c, 78, 78a, 78b, 78c, 78d, 78e, 78f, 78g, 78h, 78i, 78j, 78k, 78l, 78m, 78n, 78o, and 78p; and to repeal acts and parts of acts,” by repealing enacting section 5; and to repeal acts and parts of acts.

(Filed with the Secretary of State on October 20, 2005, at 10:42 a.m.)

Date: October 24, 2005

Time: 7:20 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

**Enrolled Senate Bill No. 798 (Public Act No. 185), being**

An act to amend 1995 PA 24, entitled “An act to promote economic growth and job creation within this state; to create and regulate the Michigan economic growth authority; to prescribe the powers and duties of the authority and of state and local officials; to assess and collect a fee; to approve certain plans and the use of certain funds; and to provide qualifications for and determine eligibility for tax credits and other incentives for authorized businesses and for qualified taxpayers,” by amending section 8 (MCL 207.808), as amended by 2004 PA 398.

(Filed with the Secretary of State on October 24, 2005, at 3:54 p.m.)

Respectfully,  
Jennifer M. Granholm  
Governor

The following messages from the Governor were received and read:

October 24, 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 Sections 16121 and 18021 of the Public Health Code, 1978 PA 368, MCL 333.16121 and 333.18021:

**Michigan Board of Podiatric Medicine and Surgery**

Mr. Harry A. Kezelian, DPM, of 619 Overhill, Bloomfield Hills, Michigan 48301, county of Oakland, succeeding Thomas Abraham, whose term has expired, representing podiatrists, for a term commencing October 24, 2005 and expiring June 30, 2009.

Mr. Richard M. Seiler, DPM, of 4616 Castle Court, Holland, Michigan 49423, county of Ottawa, succeeding Anthony Benenati, whose term has expired, representing podiatrists, for a term commencing October 24, 2005 and expiring June 30, 2009.

October 24, 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 State Employees’ Retirement Act, 1943 PA 240, MCL 38.3:

**State Employees’ Retirement Board**

Mr. H. David Dekker of 3209 Hillgate Circle, Lansing, Michigan 48912, county of Ingham, succeeding Janet M. McClelland, whose term has expired, representing employee members of the retirement system, for a term commencing October 24, 2005 and expiring July 31, 2008.

Mr. Harry R. Posner, Jr., of 5718 Wood Valley Drive, Haslett, Michigan 48840, county of Ingham, succeeding Lynda D. Taylor-Lewis, who has resigned, representing employee members of the retirement system, for a term commencing October 24, 2005 and expiring July 31, 2006.

October 24, 2005

I respectfully submit to the Senate, pursuant to Section 6 of Article 5 of the Michigan Constitution of 1963, the following appointment and reappointment to state office under Section 2 of the Michigan Tourism Policy Act, 1945 PA 106, MCL 2.102:

**Michigan Travel Commission**

Mr. Michael A. Lahti of 913 Quincy Street, Hancock, Michigan 49930, county of Houghton, succeeding Terry D. Schieber, whose term has expired, representing owners and operators of small businesses having experience in the travel, tourism, and recreation industry, for a term commencing October 24, 2005 and expiring August 20, 2008.

Mr. Steven K. Hamp of 1520 Harding Road, Ann Arbor, Michigan 48104, county of Washtenaw, reappointed to represent persons experienced in the travel, tourism, and recreation industry or a related field, for a term expiring August 20, 2009.

Sincerely,  
Jennifer M. Granholm  
Governor

The appointments were referred to the Committee on Government Operations.

### Messages from the House

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

**Senate Bill No. 74**

**Senate Bill No. 175**

The motion prevailed.

#### **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 2005 PA 139.

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

The House of Representatives has passed the bill as substituted (H-1) 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 11b of chapter XVII (MCL 777.11b), as amended by 2005 PA 139.

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

#### **Senate Bill No. 480, entitled**

A bill to amend 1984 PA 233, entitled "Prudent purchaser act," by repealing section 10 (MCL 550.60).

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.

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 Barcia 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 bill:

**House Bill No. 5253, entitled**

A bill to amend 1971 PA 140, entitled "Glenn Steil state revenue sharing act of 1971," by amending section 13 (MCL 141.913), as amended by 2004 PA 355.

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. 633, entitled**

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending section 31 (MCL 208.31), as amended by 1999 PA 115; and to repeal acts and parts of acts.

Substitute (S-2).

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

1. Amend page 3, following line 5, by inserting:

**"(B) FOR TAX YEARS THAT BEGIN ON AND AFTER JANUARY 1, 2006 AND BEFORE JANUARY 1, 2007, 51.4%."** and relettering the remaining subdivisions.

2. Amend page 3, line 9, after "**APPLIES,**" by striking out "**54.2%**" and inserting "**52.8%**".

3. Amend page 3, line 14, after "**APPLIES,**" by striking out "**57.0%**" and inserting "**55.6%**".

4. Amend page 3, line 19, after "**APPLIES,**" by striking out "**59.8%**" and inserting "**58.4%**".

5. Amend page 3, line 24, after "**YEAR,**" by striking out "**62.6%**" and inserting "**61.2%**".

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:

**Senate Bill No. 634, entitled**

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending section 45a (MCL 208.45a), as amended by 1999 PA 115.

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. 4972, entitled**

A bill to amend 1975 PA 228, entitled "Single business tax act," (MCL 208.1 to 208.145) by adding section 35d.

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. 4980, entitled**

A bill to amend 1933 PA 167, entitled "General sales tax act," by amending section 4a (MCL 205.54a), as amended by 2004 PA 173.

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. 5097, entitled**

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 34d (MCL 211.34d), as amended by 2005 PA 12, and by adding section 7jj.

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. 5096, entitled**

A bill to provide for the exemption of certain property from certain taxes; to levy and collect a specific tax upon the owners of certain property; to provide for the disposition of the tax; to prescribe the powers and duties of certain local government officials; and to provide penalties.

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. 5098, entitled**

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending sections 3, 36, 38e, and 71 (MCL 208.3, 208.36, 208.38e, and 208.71), sections 3 and 71 as amended by 1999 PA 115, section 36 as amended by 1995 PA 284, and section 38e as amended by 2003 PA 273, and by adding section 79.

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. 5106, entitled**

A bill to amend 1933 PA 167, entitled "General sales tax act," by amending section 4d (MCL 205.54d), as added by 2004 PA 173.

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. 5107, entitled**

A bill to amend 1937 PA 94, entitled "Use tax act," by amending sections 3a and 4 (MCL 205.93a and 205.94), as amended by 2004 PA 172, and by adding section 5a.

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. 5108, entitled**

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending sections 4a, 31, and 36 (MCL 208.4a, 208.31, and 208.36), section 4a as added by 2003 PA 241, section 31 as amended by 1999 PA 115, and section 36 as amended by 1995 PA 284.

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. 5095, entitled**

A bill to amend 1941 PA 122, entitled "An act to establish the revenue collection duties of the department of treasury; to prescribe its powers and duties as the revenue collection agency of the state; to prescribe certain powers and duties of the state treasurer; to regulate the importation, stamping, and disposition of certain tobacco products; to provide for the transfer of powers and duties now vested in certain other state boards, commissions, departments and offices; to prescribe certain duties of and require certain reports from the department of treasury; to provide procedures for the payment, administration, audit, assessment, levy of interests or penalties on, and appeals of taxes and tax liability; to prescribe its powers and duties if an agreement to act as agent for a city to administer, collect, and enforce the city income tax act on behalf of a city is entered into with any city; to provide an appropriation; to abolish the state board of tax administration; to prescribe penalties and provide remedies; and to declare the effect of this act," by

amending sections 3, 4, 19, 24, and 31 (MCL 205.3, 205.4, 205.19, 205.24, and 205.31), section 3 as amended by 2003 PA 92, sections 4, 19, and 31 as amended by 2002 PA 657, and section 24 as amended by 2003 PA 201.

Substitute (S-1).

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

1. Amend page 11, line 26, after "**JANUARY 1,**" by striking out "**2006**" and inserting "**2007**".
2. Amend page 11, line 27, after "**28,**" by striking out "**2006**" and inserting "**2007**".
3. Amend page 13, line 23, after "**FEBRUARY 15,**" by striking out "**2006**" and inserting "**2007**".
4. Amend page 13, line 24, after "**MARCH 15,**" by striking out "**2006**" and inserting "**2007**".
5. Amend page 14, line 2, after "**FEBRUARY 15,**" by striking out "**2006**" and inserting "**2007**".
6. Amend page 14, line 3, after "**MARCH 15,**" by striking out "**2006**" and inserting "**2007**".

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.

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

### Call of the Senate

Senator Sikkema moved that there be a Call of the Senate.

The motion prevailed, a majority of the members present voting therefor, the time being 12:16 p.m.

### Proceedings under the Call

The roll was called by the Secretary of the Senate and the following Senator was reported absent: Senator Barcia.

Senator Hammerstrom moved that the Sergeant at Arms be dispatched after the absentee.

The motion prevailed.

Senator Hammerstrom moved that the Senate proceed with business under the Call.

The motion prevailed.

Senator Barcia entered the Senate Chamber.

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

**Senate Bill No. 633**

**Senate Bill No. 634**

**House Bill No. 4972**

**House Bill No. 4980**

**House Bill No. 5097**

**House Bill No. 5096**

**House Bill No. 5098**

**House Bill No. 5106**

**House Bill No. 5107**

**House Bill No. 5108**

**House Bill No. 5095**

**House Bill No. 5253**

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

The following bill was read a third time:

**Senate Bill No. 633, entitled**

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending section 31 (MCL 208.31), as amended by 1999 PA 115.

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. 510****Yeas—22**

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

**Nays—16**

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

**Excused—0****Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

**Senate Bill No. 634, entitled**

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending section 45a (MCL 208.45a), as amended by 1999 PA 115.

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. 511****Yeas—23**

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

**Nays—15**

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

**Excused—0**

**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

**House Bill No. 4972, entitled**

A bill to amend 1975 PA 228, entitled "Single business tax act," (MCL 208.1 to 208.145) by adding section 35d.

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. 512**

**Yeas—22**

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

**Nays—16**

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

**Excused—0**

**Not Voting—0**

In The Chair: President

Senator Hammerstrom moved that the bill be given immediate effect.

The motion did not prevail, 2/3 of the members serving not voting therefor.

Senator Hammerstrom requested the yeas and nays.

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

The motion did not prevail, 2/3 of the members serving not voting therefor, as follows:

**Roll Call No. 513**

**Yeas—22**

Allen	Garcia	Jelinek	Sanborn
Birkholz	George	Johnson	Sikkema

Bishop	Gilbert	Kuipers	Stamas
Brown	Goschka	McManus	Toy
Cassis	Hammerstrom	Patterson	Van Woerkom
Cropsey	Hardiman		

**Nays—16**

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

**Excused—0****Not Voting—0**

In The Chair: President

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.

**Protests**

Senators Thomas, Brater, Basham, Schauer, Cherry, Jacobs and Switalski, under their constitutional right of protest (Art. 4, Sec. 18), protested against the passage of House Bill No. 4972.

Senator Thomas moved that the statement he made during the discussion of the bill be printed as his reasons for voting “no.”

The motion prevailed.

Senator Thomas’ statement, in which Senators Brater, Basham, Schauer, Cherry, Jacobs and Switalski concurred, is as follows:

There can be no doubt that manufacturing is the lifeblood of Michigan’s economy. It has been the lifeblood of Michigan’s economy and it will continue to be the lifeline of Michigan’s economy well throughout the 21st century.

The bill before us that I voted against seeks to find a way to address problems raised by the manufacturing sector. Through exhaustive hearings conducted throughout the state over the past eight months by the Senate Finance Committee and the House Tax Policy Committee, as well as through independent meetings, I’m sure we have heard from Michigan manufacturers in all portions of the state that they need to have real relief when it comes to their personal property taxes. Unfortunately, House Bill No. 4972, as amended by the Senate as a part of this renew Michigan plan, does not provide the real and necessary and immediate relief that Michigan manufacturers require today. This bill, as passed by the Senate now, provided for a non-refundable personal property tax. “Non-refundable” is a very important word, hyphen, word. Non-refundable ultimately has the effect of basically giving a tax cut that’s already, at the start, worth only 50 cents on the dollar when you look at the aggregate value of that tax cut.

By comparison, the plan that was before this Legislature for the past eight months that actually had exhaustive hearings, instead of today’s that has had none, provided four times greater personal property tax relief for Michigan’s manufacturers. It did so immediately. It absolutely did so immediately.

This is not about providing meaningful tax relief to Michigan's manufacturers. This will not create jobs. This will not level the playing field for them. This will not help them as they are grappling with the very real decisions—like Delphi, like Ford, like General Motors—on what will be the future of our manufacturing capacity and our manufacturing presence in the state of Michigan. If we were serious, we would have made this a refundable tax cut, we would have done it immediately, and we would have not played this game.

Unfortunately, this Legislature is punting, and we are saying to Michigan manufacturers that we are not in line to help you make the very real decisions that will employ our constituents, and this Legislature is very, very mistaken.

The following bill was read a third time:

**House Bill No. 5098, entitled**

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending sections 3, 9, 22a, 36, 38e, and 71 (MCL 208.3, 208.9, 208.22a, 208.36, 208.38e, and 208.71), sections 3 and 71 as amended by 1999 PA 115, section 9 as amended by 2004 PA 258, section 22a as amended by 1996 PA 578, section 36 as amended by 1995 PA 284, and section 38e as amended by 2003 PA 273, and by adding section 79.

The question being on the passage of the bill,

**Point of Order**

Senator Patterson raised the Point of Order that Senate Rule No. 3.207, which requires the third reading of a bill to be in full unless otherwise ordered with a unanimous vote of the Senate, can be suspended by a majority vote of the Senate.

The President, Lieutenant Governor Cherry, ruled that the Senate has the ability to suspend its rules, but it cannot suspend the provisions of the Constitution. Additionally, the Constitution has been interpreted by the courts in that its provisions cannot be waived.

Senator Garcia offered the following amendments:

1. Amend page 19, line 7, after "expenses" by striking out "**INCURRED BEFORE JANUARY 1, 2006**".
2. Amend page 19, line 8, after "expenses" by striking out the balance of the line through "**2006**" on line 9.
3. Amend page 19, line 12, after "(c)," by striking out "an amount" and inserting "**QUALIFIED EXPENSES INCURRED BEFORE JANUARY 1, 2006**".
4. Amend page 19, line 17, after "2003," by striking out "an amount" and inserting "**QUALIFIED EXPENSES INCURRED BEFORE JANUARY 1, 2006**".
5. Amend page 19, line 22, after "2003," by striking out "an amount" and inserting "**QUALIFIED EXPENSES INCURRED BEFORE JANUARY 1, 2006**".
6. Amend page 19, following line 23, by inserting:  
**"(D) FOR COMPANIES THAT HAVE A CLASSIFICATION UNDER THE NORTH AMERICAN INDUSTRIAL CLASSIFICATION SYSTEM (NAICS) OF 236115 TO 238990 AND FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2005, AN AMOUNT NOT TO EXCEED \$2,000.00 FOR EACH APPRENTICE TRAINED BY THE TAXPAYER IN THE TAX YEAR."**

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. 514**

**Yeas—22**

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

**Nays—16**

Basham	Clark-Coleman	Leland	Schauer
Bernero	Clarke	Olshove	Scott

Brater  
Cherry

Emerson  
Jacobs

Patterson  
Prusi

Switalski  
Thomas

**Excused—0**

**Not Voting—0**

In The Chair: President

Senator Hammerstrom moved that the bill be given immediate effect.

The motion did not prevail, 2/3 of the members serving not voting therefor.

Senator Hammerstrom requested the yeas and nays.

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

The motion did not prevail, 2/3 of the members serving not voting therefor, as follows:

**Roll Call No. 515**

**Yeas—24**

Allen  
Barcia  
Birkholz  
Bishop  
Brown  
Cassis

Cropsey  
Garcia  
George  
Gilbert  
Goschka  
Hammerstrom

Hardiman  
Jelinek  
Johnson  
Kuipers  
McManus  
Patterson

Sanborn  
Schauer  
Sikkema  
Stamas  
Toy  
Van Woerkom

**Nays—14**

Basham  
Bernero  
Brater  
Cherry

Clark-Coleman  
Clarke  
Emerson  
Jacobs

Leland  
Olshove  
Prusi

Scott  
Switalski  
Thomas

**Excused—0**

**Not Voting—0**

In The Chair: President

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.

Senator Hammerstrom moved that Senator McManus be excused from the Call.

The motion prevailed.

The following bill was read a third time:

**House Bill No. 5108, entitled**

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending sections 4a and 36 (MCL 208.4a and 208.36), section 4a as added by 2003 PA 241 and section 36 as amended by 1995 PA 284, and by adding section 74.

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. 516**

**Yeas—21**

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

**Nays—16**

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

**Excused—1**

McManus

**Not Voting—0**

In The Chair: President

Senator Hammerstrom moved that the bill be given immediate effect.

The motion did not prevail, 2/3 of the members serving not voting therefor.

Senator Hammerstrom requested the yeas and nays.

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

The motion did not prevail, 2/3 of the members serving not voting therefor, as follows:

**Roll Call No. 517**

**Yeas—21**

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

**Nays—15**

Barcia	Cherry	Leland	Scott
Basham	Clarke	Olshove	Switalski
Bernero	Emerson	Prusi	Thomas
Brater	Jacobs	Schauer	

**Excused—1**

McManus

**Not Voting—1**

Clark-Coleman

In The Chair: President

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.

**Protests**

Senators Switalski, Basham, Schauer and Jacobs, under their constitutional right of protest (Art. 4, Sec. 18), protested against the passage of House Bill No. 5108.

Senators Switalski, Schauer and Jacobs moved that the statements they made during the discussion of the bill be printed as their reason for voting “no.”

The motion prevailed.

Senator Switalski’s statement, in which Senator Basham concurred, is as follows:

There’s a great book out and you may have seen it. It’s called *The Price of Government*. It talks about a lot of things, but it starts out with an interesting thesis. The authors offer an insight into the cost of government and how to measure what people are willing to pay. They say that the cost of government fluctuates over time and that it rises and falls at intervals from a mean average—kind of like Adam Smith’s “invisible hand”—it’s a self-correcting mechanism. When government gets too costly, taxpayers get mad. They’re unwilling to pay too much beyond that mean average. Government responds by cutting back. When spending gets too low, people start objecting to the lack of services. They demand better services and are willing to pay for them, and government spending goes back toward the mean.

This is an important insight. How does it apply to Michigan today? It so happens that the authors of this book appeared in front of the Appropriations Committee earlier this year. I asked them where they thought Michigan was in the crest and trough cycle. They said that we were in the trough. Senate Fiscal will attest to the fact that we are in the bottom of the trough. Is this the time to set the cap on state revenues? Oh, I’m sorry, there already is a cap on state revenues. It’s in our Constitution and we are \$5 billion below that cap. We have never been further below that cap. We are indeed at a historic trough in terms of state revenue.

Is this the time to set a cap on state revenues? I’m glad you asked that question because a similar proposal was reviewed in July by the Senate Appropriations Committee. I must report, in all honesty, that it got a very cool reception. In fact, the chair of Appropriations was particularly eloquent in her analysis of the shortcoming of the idea of a cap that takes as its baseline a historic trough.

What is the vision behind this proposal? It is an empty vision. It is a vision that says now that we have starved state revenues into cardiac arrest, let's drag it into the bathroom and choke it to death. That is not a positive vision for the state of Michigan. When we had money, we used to run an efficient state government. We paid for capital improvements through self-financing when it made sense. Now we sell our buildings, lease the space back, and pay a premium for the privilege. We used to earn on our rainy-day fund. Now we pay interest on money we borrowed to make ends almost meet. We securitize our tobacco settlement and mortgage tomorrow. What would suggest that now is the appropriate time to limit state revenues? We've emptied state government of its rainy-day fund. We've emptied local governments of their fund balances. We've emptied school districts of their unencumbered reserves, and we have emptied revenue sharing to a historic low, such that nearly one thousand of the state's 1,242 townships now get no, zero statutory revenue sharing. We have emptied revenue sharing to the point where none, zero of Michigan's 83 counties have gotten a revenue sharing appropriation in the last two years, and we have an increasing number of cities in receivership. We have gone from a dream of full funding of revenue sharing to a nightmare of empty funding of revenue sharing. That is the vision of this package of bills.

What about education? The state now provides 16 percent of the University of Michigan's funding. The state contribution to universities now averages about a third of the cost of an education. Community colleges don't even get that. They have historically relied on a three-legged stool for funding, combining state appropriation, local millage, and tuition. That stool is now two legs straddling a tightrope. Is this the vision that will prepare Michigan to compete in the new economy?

Apologists for this plan assert that it won't affect K-12 education. That is as true as saying the Lottery will fix the funding problems for schools. Yes, it is true that the lottery funds go to schools. But it is also true that the state reduced its General Fund contribution dollar-for-dollar to the School Aid Fund. So, yes, it is true that the single business tax cuts affect the General Fund and not the School Aid Fund. That ignores the larger truth that the General Fund used to contribute over \$400 million to the School Aid Fund. That contribution is down to virtually zero now because the General Fund is perpetually broke. We have never replaced the \$400 million we cut. In fact, we keep shifting new responsibilities from the General Fund to the School Aid Fund, increasing the burden on the School Aid Fund. Passing this plan will mean the School Aid Fund will never recover to its median level. Is that a vision for Michigan's future?

What about the state of corrections? We are experiencing severe jail overcrowding in Macomb and Oakland counties. Hundreds of prisoners are gaining early releases because counties, who got zero revenue sharing dollars appropriated to them in the last two budgets, don't have the resources to house their own prisoners. We have the unseemly spectacle of the state and its counties attempting to stick one another with each other's prisoners. We cut State Police posts and arson inspectors, and we are at a historic low for trooper strength. Does this represent our vision of what public safety should be in Michigan?

How about public health? We cut vision and hearing screening for children. We've cut funding to hospitals. Is this a vision for a healthy Michigan? It is not my vision.

I will vote "no" on House Bill No. 5108 and the vision of Michigan it represents.

Senator Schauer's statement is as follows:

I rise in opposition to HB 5108, as well as the balance of the bills in this tax shift package.

Colleagues, I want the public to know that the majority party in this chamber discharged these bills last week from a Senate committee. For this bill and the others, the committee process—where interested and affected individuals, businesses, and organizations can have their say—was skipped. There was no opportunity for GM, Ford, Chrysler, the Kellogg Company, Delphi, or for the Michigan Manufacturers Association or the state Chamber of Commerce to have input in the process.

I can understand why the majority and its members didn't want a hearing on these bills. They knew that they wouldn't withstand the light of day and the scrutiny of this process. Manufacturers and small businesses are big losers under this plan as compared to Governor Jennifer Granholm's plan, which would provide a single business tax rate cut 12 times greater and a refundable personal property tax credit four times greater than this legislation before us does.

I co-sponsored the Governor's single business tax cut restructuring proposal because it targeted tax relief now to manufacturers and to small businesses. Manufacturing, colleagues, as you know, is at an urgent crossroad in the face of global competition, unfair trade deals, and structural fiscal problems like health care costs for their employees and retirees. I want the manufacturing community to know that I and my fellow Democratic colleagues stand with them and with the Governor's original proposal which would help keep these jobs from leaving the state.

The Governor's plan helps businesses, like manufacturers, that need help and levels the playing field. The Republican plan before us gives a tax cut to every fast-food chain at the expense of manufacturers, who need a lot but only get a little. Does that sound like good business to you? Well, colleagues, that's what you're voting to do.

The other interesting thing about this proposal is that it relies on smoke-and-mirrors-triggered tax cuts to balance business tax cuts primarily on the backs of individual taxpayers. These bills create a huge budget hole because of assumed revenue sources that won't materialize and will force this Legislature to continue to cut essential services like higher education, health care, revenue sharing for local police and fire service, and economic development.



In sum, this plan, sadly, is more about politics and posturing than about sound economic policy that will create jobs. The fact of the matter is that this legislation is a pale comparison to what the Governor proposed last February. Imagine, colleagues, if you will, what investment we would have experienced in Michigan if we would have moved quickly to pass the Governor's plan. Over the past months, maybe we would have read about fewer plant closings or maybe even about one less major corporate bankruptcy.

I am voting "no" on this bill and the balance of the bills in the package because they squander this critical opportunity to create jobs and move our economy forward.

Senator Jacobs' statement is as follows:

I'm grateful for the opportunity to speak on this bill. I think Senator Switalski was eloquent in what he said, and I would really just like to add a little bit more to that.

Now there are many issues that are outside of our state's control, but we'd still impact our budget here. For example, if the U.S. House leadership proposed cuts in the next five-year budget were enacted, it would result in a loss of \$288 million which Michigan now receives for food stamps—temporary aid to needy families and programs such as adoption assistance and day care. It would be expected that Michigan would not leave the poor out in the cold, so we can expect that this lost money will be recovered from Michigan's school, university, prison, and revenue sharing budgets, causing further erosion in our very fragile infrastructure.

Let's take a serious look at this program. It cuts business taxes from 1.9 percent to 1.84 percent. Does anybody really seriously think that this will lead to this huge influx of jobs into Michigan? The Governor's restructuring plan cut the base SBT rate from 1.9 percent to 1.2 percent, and it sent a very strong message about responsible investment in Michigan.

During the many hearings on the Governor's tax plan, we heard time and time and again that Michigan needed to maintain its excellent schools and universities in order to provide a trained, skilled workforce for the high-tech jobs of tomorrow. By locking in cuts to government in perpetuity, this plan also locks in a declining investment in our schools and universities.

I think we really need to look at for sort of every action, there is a reaction, and we saw even with Proposal A here 11 1/2 - 12 years later that there are unintended consequences from what we all thought was good legislation. And that's really what I'm concerned about.

Every single day we open up the papers and we see headlines. We see headlines that say gas and heating fuels must be affordable. We can't ignore nursing home closures. We talk about prisoner releases. We talk about the lack of prescription drug coverage for our most vulnerable people. Those problems are not going to go away with this solution; in fact, they're going to be increased. And I think, as legislators, we cannot forget our moral obligation to the people in Michigan. Without getting real religious, I think that we need to look at some of the very things that government ought to be doing, which is helping our most vulnerable folks, feeding the poor, clothing the naked, and comforting the sick. Believe me, there will be no way for us to do this. We do not have a bloated budget. We are barely holding on by our fingers with what we are doing here. I'm so worried we'll have just dire consequences in the future.

So I ask my colleagues to please think very carefully before we take this big leap.

Senators Cropsey, Johnson, Sikkema, Cassis and Brater asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Cropsey's statement is as follows:

I think some of the allegations that are being made—you don't have to be around the Legislature very long and you find that everybody has a very, very, very short memory. The good Senator, who is the chairman of Appropriations has a very long memory and I appreciate that.

Just to keep a few things in mind when we talk about have we moved quickly enough that this Governor is going to move very fast and she's going to get things all done—if we would've passed her bonding proposal, the people would be voting on it in another month. It wouldn't have been in effect already, so don't give me this stuff about, "Oh, we're going to get this bonding proposal through and get it done real quick," when the people had to vote on it and, at best, it would've been done this November and; at the worst, probably next November.

The Governor's proposal that she came out with was not a tax cut; it was a tax shift. She was taking and saying we've got an area of our economy that's sick and let's see if we can take from the area where it's well, tax that area of the economy higher, and make everybody sick. I don't think that's a good way to do it—spread the virus around.

The health care cost: We keep hearing out of two sides of her mouth on this. We keep hearing from the Governor that she would like the federal government and other governments to start taking care of more health care costs—I think, kind of like Canada, which she would know about—but, yet, we have other Democrats who have proposed legislation just yesterday, I believe—or talked about it—about how business is not picking up enough of the health care cost. You can't really have it both ways.

We have another concern about aren't we just going to hamper government too much if we limit government revenue, or limit government spending, actually is what we're doing. You know, we've had businesses that have made cuts, businesses that have made cutbacks in their benefits, but, yet, have we seen that happen in this state? No. We've had a Governor—she's gone into contracts where she's actually increased the cost of essential services to people in this state.

Now, to say that this government must live within an increased budget and that that increase is not enough, I just don't buy it. We're talking about revenue increases of inflation plus one percent. Shouldn't we start to live within our means? Man, when I try and go back home and sell this to the people back home, they're going to say why are you giving more than the rate of inflation? Well, that's a very good question, and perhaps some folks on the other side of the aisle could give me a good, rational reason why we're giving more than the rate of inflation to state government. I haven't been able to figure that one out on how come, then, that this is such a stringent straightjacket.

I think what we really have here, Mr. President, is we have a paralysis in the leadership in this state starting in the head office. We are in a fight for jobs in this state. We have a major company that's going into bankruptcy, Delphi Corporation, and just this last weekend, I was at a conference with legislators from around the United States. I had a legislator from Indiana come up to me and say, "I love your Governor." I was thinking, "Well, why do you love our Governor?" This was a conservative Republican. She said, "She's the best thing that Indiana has going for it. You take a look at what your Governor said about Delphi. You take a look at what the Governor of Indiana, Mitch Daniels, said about Delphi, and you'll see."

All you have to do is go to *The Indianapolis Star* where our Governor was blaming Delphi, blaming globalization and everything else and the Governor of Indiana, five days before.

If I remember, one of the previous speakers had brought up the Delphi issue and they were not reprimanded for that and I would hope that you would give us the same latitude in answering the charge.

When you take a look at Governor Mitch Daniels of Indiana before the bankruptcy was even announced, he was on the phone; they were making plans on how they could not only keep the jobs in Indiana that they had, but how they could attract more jobs in Indiana because of what Delphi was doing. And what does our Governor say? Well, it's not so much what she said, although that was bad enough. When it was brought out, and this is a quote—Granholm had not asked the state's economic development team to take any action—a spokeswoman for the Granholm administration said, "We're in a holding pattern until we see what develops." That spokeswoman was Heidi Hanson.

You know, it looks like today, we're kind of in a holding pattern if the other side of the aisle has its way. Read everything. Delay everything. Let's put everything on hold, but boy, we aren't acting quick enough. You can't have it both ways, and I would hope that we would vote on all these pieces of legislation today, get it over to the House, and let's get this thing through and let's not be obstructing jobs for people in this state.

Senator Johnson's statement is as follows:

First, I rise to correct the former speaker. While it is very true that I did not appreciate nor support—and it was very obvious to the committee members—the proposal that was presented to the Appropriation Committee, this is not that proposal. As the Governor who represents the other side of the aisle said, this is a proposal that she can work with. This is proposal that has some reasonable compromises to it, and this is one that she embraces far more than she would consider than that which has been adopted by the House.

I'd love to give you a history lesson, but I know I've done that often enough and bored the hell out of all of you. But let me tell you something, I've served here, as well as two other members in this chamber, back in 1981 when our unemployment rate was three times as high as it is now; when manufacturing jobs were beginning to leave this state; and when you went out into that parking lot, you did not find one foreign automobile.

Over those years that I've been here, we've lost countless manufacturing jobs; there is no doubt about it. And we've lost it not just because of manufacturers here in Michigan, but we've lost it because of the consumer. It's the consumer who is enamored with the cars that are built overseas or in southern parts of this country.

Michigan's economy has suffered enormously in the years that I have been here. We have been so cyclical it's been unbelievable. And it's because we offer tax increases without realizing that we're offering and taking from the very consumer who is going to go out and spend it and buy something, whether it be a Kmart, Wal-Mart, or any other store where they purchase.

I would much prefer that the dollars that we're cutting today went into my constituents' pockets, frankly, because I know they're the ones who are going to go out and spend the quickest. But this is without question a responsible proposal because it answers the need for funding.

Senator Sikkema's statement is as follows:

I rise to support this bill and to make some comments on this particular bill and the others in the package, if I may. A previous speaker, the Senator from the 10th District, who is a good friend of mine, talked about the need for vision and proceeded to articulate a vision that has as its premise more state spending. I listened carefully and intently to his remarks made in an eloquent fashion, but at its heart was the suggestion that it is state spending on a variety of programs that is critical. Mr. President and members, I have a different vision. My vision is a vision of an extremely

prosperous Michigan, a state of growth and opportunity and good, high-paying jobs in a vastly changed economy from what we've known in the past. That vision has as its premise the growth and health and vitality of the private sector, and not just certain kinds of businesses that might be large and might be engaged in manufacturing. That's part of my vision, but it's not exclusive to just those kinds of companies and jobs. The vision I have is a vibrant economy where you have new companies and jobs being created and small businesses, medium-sized businesses, and large businesses; manufacturing, high-tech, life sciences, and information processing. It's a dynamic economy, a dynamic vision.

This package of bills provides tax relief and tax restructuring across the board. We're not saying we're going to put all of our eggs in one basket, being old-style manufacturing, although that's part of this.

At the end of the day, there's as high as a 60 percent credit for personal property taxes in this package. The bill we're debating right now has as part of it as tax relief for small businesses. I think that's absolutely critical—that kind of broad-based approach that's in this package.

Now, that speaker, who is a friend of mine who I thought was eloquent but who I thought articulated the vision that is almost the opposite of mine, talked about the trough, referred to the price of government, and referred to this issue of looking at states to see if the relative tax burden is at the average, below, or high. It's an interesting debate, but there's another trough that I'm more concerned about and that is the job loss and that trough that we're in. That's not an academic discussion. That's real, and frankly, given that our unemployment rate is so much higher than the national average, you can't open a newspaper today in this state without seeing another bad headline about some company going into bankruptcy or hemorrhaging jobs—*Lansing State Journal*, front page, 650 jobs today from an auto parts supplier. I'm more concerned about that trough in our economy than I am about how Michigan rates on its tax burden vis-a-vis the other states, and I think that's what we should be concerned about.

There was a reference made that this revenue trigger that's in this package is similar—that was the word used—to the proposal that was in front of the Appropriations Committee a few short weeks ago. Nothing could be further from the case. That proposal was a constitutional amendment that would restrict the flexibility of this Legislature to act. This revenue trigger is in statute precisely for the purpose of giving the Legislature the flexibility so you don't end up in some kind of unacceptable crisis. That proposal we were referring to, it's similar to this tapered proposal coming out of Colorado. The Colorado proposal not only was a constitutional amendment on spending, but it didn't allow state or local government to raise taxes if they felt—elected officials—they needed to. There's nothing in this proposal that stops that.

CPI plus one percent? Government can't live with the rate of inflation plus one percent? The inflation rate today is 2.7 percent. One percent above that is another 37 percent above the rate of inflation. Government can't live with the rate of inflation plus 37 percent? There's additional flexibility built in here beyond that. It doesn't count federal money. That's not part of this. It counts about 90 percent of the taxes that make up about 90 percent of our revenue.

We're kind of inside baseball here a little bit, but there are other flexibility measures built into this. That first \$50 million of triggered tax cuts beyond the \$1 billion tax cuts, you've got to have \$50 million there to get the \$50 million relief. We've got some people who are objecting to that because it's too flexible for state government. There's a provision in this proposal to put money in the budget stabilization fund to deal with an emergency. When's the last time we've had money in the budget stabilization fund in this state? It's been four or five years. This proposal puts money in the budget stabilization fund. That's a responsible thing to do. This proposal must be the right one because there are people saying it doesn't cut government enough and there are people saying it cuts government too much. I think I'm probably in the right spot.

This is a good proposal. It recognizes that you can't just have government spending on economic diversity and job creation and the new economy; but you also need substantial tax relief if Michigan is going to be a place that attracts business investment and growth. I think it's irrelevant—these economists love to debate whether our business tax burden is average, high, or low compared to other states. What difference does it make when you've got an unemployment rate of 6.4 percent? What difference does it make where you stand relative to other states when you know you've got to reduce the cost of doing business?

This does cut business taxes. I think we should, but it does it in a responsible fashion that recognizes there are some other obligations we have as legislators. But it doesn't sacrifice economic growth to the god of state spending, and that's "god" with a little "g."

I heard reference from a previous speaker I have respect for, Senator from the 19th District, who said it's not like the Governor's proposal. Well, thank God. The Governor's proposal was a billion-dollar tax increase on growth sectors of our economy to give a billion-dollar tax cut to one other sector. You know, I find it interesting and enlightening that when I hear advocates of that proposal on the radio, they always talk about the billion-dollar tax cut to manufacturers, not one hint that there's that little billion-dollar increase to financial services. That's a mistake. At best, it's a wash. I've heard the Governor, who I have respect for, say, "Well, we need a billion-dollar tax cut to create jobs." Well, what does a billion-dollar tax increase do then? It must result in fewer jobs. I mean, you can't have it both ways. That's the flaw in that proposal—not that it understands the need for a tax cut. It double-speaks by then raising taxes.

You know there are detractors of this proposal, obviously, but there was a lot of curiosity about it because we are reading all the bills word for word. People, obviously, want to know what's in there. I know there are detractors, but I

find it interesting that the detractors are on the two extremes. And, frankly, I think it's time to meet in the middle. We need tax relief for the job providers of this state if we are going to have a growing economy. We have an obligation to critical government services, particularly, education because I think that is also part of our future. I would submit to you that a vote for this package today is the right vote.

Senator Cassis' statement is as follows:

I'd like to remind my colleagues that millions and perhaps even billions of dollars have gone to Michigan manufacturers in the form of credits and abatements over the years. Delphi alone, for example, garnered \$24 million in tax relief. We also today recognize the plight of the manufacturing sector and provide personal property tax relief, and further, single business tax cuts over the next six years totaling \$1 billion.

You know, I remember when John Kennedy was sworn in. I remember the house, the living room, and my other 15-year-old friends as we watched his inauguration. President Kennedy knew. President Reagan knew. President George W. Bush knew. They knew what Professor Vedder of Ohio University, my alma mater, and other economists alluded to in our Senate Finance and Tax Committee hearings all over the state. That is, reducing the state's and nation's tax burden leaves more money with those who invest in businesses, who hire employees, who grow the economy, and thus, create revenue.

Indeed, I know truly how all of us—each one of us—have agonized over an economy that continues in distress. Today we have a vision, a plan for economic empowerment that is before us. Let us together say a strong, affirmative “yes” and vote green. Move Michigan forward.

Senator Brater's statement is as follows:

I also ask permission to address the package as a whole as well as this bill.

We have a complex bill before us; in fact, it's tie-barred to a complex package of bills, and as the good chair of the Finance Committee just noted, there were hearings held on the previous bills that were introduced, but, in fact, we have not had the opportunity to have committee hearings on the bills as substituted in this package. I rise, first of all, as a matter of process to express concern that there has not been an opportunity for our constituents to participate in that debate that ordinarily would occur on the committee process on such a very, very important policy matter. I regret that today.

I think that there is a good deal of interest. I don't think that the minority party would casually ask to have all the bills read, but I think it's an expression of our concern that these bills are being rammed through this Senate without adequate opportunity for analyzing the bills, for understanding their consequences, and for allowing public input. But, as best as I can understand, and as some of my colleagues have expressed earlier in this debate today, this bill as substituted would implement an irresponsible plan making further tax cuts at a time when the state faces ongoing structural deficits as a result of the tax cuts of the 1990s.

Indeed, if tax cuts were the answer to our economic woes, we would be rolling in money in this state today, but that is not the case. We do not have a thriving economy now. When people talk about worrying about jobs and unemployment, and if tax cuts were the answer, in fact, unemployment, if you look at the numbers, was falling more severely on a relative basis during the '90s than it is during this administration. That was at the time when we had huge tax cuts going on in terms of the income tax and other cuts that we were making, including phasing out of the SBT.

If you do believe that tax cuts are the answer, these cuts are actually very small compared to the Governor's plan—a 3-percent cut of the SBT rate compared to 37 percent. While the Governor's plan was revenue-neutral, so that it did have some of our business sectors that are not now paying their fair share step up to the plate and pay it. In fact, people talk about insurance, for example, being one of those sectors, and we don't have lower insurance rates here in the Michigan Senate as a result of our insurance paying lower rates. I think the Governor was right to look at spreading that tax burden more fairly among our business sector and giving manufacturers that break that they need without, as I said, depriving the General Fund of urgently needed dollars.

Now, as I understand it, this—and I heard varying numbers today about what this plan is going to cost—I've heard \$400-\$450 million of unfunded tax cuts and \$200-\$250 million of triggered tax cuts based on phantom revenue. I say phantom revenue because there is no proof that this economy is going to grow the way that you're projecting and materialize in order to cover those tax cuts. So it's a total of \$600-\$700 million of unfunded expenses to this state at a time when we're already running a structural deficit of that size. This really doesn't make any sense.

I guess we are having a basic ideological debate here and the constituents who those on the other side of the aisle are listening to don't have the same problems that my constituents have. Maybe some of your constituents don't have teeth that we were finally able to restore dental benefits for, where for two years, people went without dental health care because they couldn't afford it. Maybe you don't have farmers who are coming to you to complain about the cutbacks in food safety inspection. Maybe you don't have parents who are concerned about the rising cost of higher education in this state. I'm certainly hearing from constituents who have those concerns, and I don't know how we're going on paying for it with these ongoing cuts in revenues.

When we did have the opportunity to have experts come before the Senate Finance Committee, we saw studies that show that in any case, tax rates are not the principal factor that businesses look at when they're deciding to locate. We've heard already about their concern about an educated workforce, and this is borne out in studies, as well as their desire for infrastructure and, indeed, parks and recreation and quality of life issues. These are all things that attract businesses to the state. I don't know how we're going to pay for an educated workforce and all of our other public and higher education concerns if we go on cutting our revenues.

This is a reckless and irresponsible package of legislation which does nothing to cure Michigan's economic woes. It places the Michigan Senate in the position of obstructing and standing in the way of the Governor's plan to build Michigan's economy. This is not a good model for how to make legislation.

The following bill was read a third time:

**House Bill No. 4980, entitled**

A bill to amend 1933 PA 167, entitled "General sales tax act," by amending section 4a (MCL 205.54a), as amended by 2004 PA 173.

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. 518**

**Yeas—35**

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

**Nays—1**

Leland

**Excused—1**

McManus

**Not Voting—1**

Emerson

In The Chair: President

Senator Hammerstrom moved that the bill be given immediate effect.

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

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

"An act to provide for the raising of additional public revenue by prescribing certain specific taxes, fees, and charges to be paid to the state for the privilege of engaging in certain business activities; to provide, incident to the enforcement

thereof, for the issuance of licenses to engage in such occupations; to provide for the ascertainment, assessment and collection thereof; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this act.”.

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 5106, entitled**

A bill to amend 1933 PA 167, entitled “General sales tax act,” by amending section 4d (MCL 205.54d), as added by 2004 PA 173.

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. 519**

**Yeas—21**

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

**Nays—16**

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

**Excused—1**

McManus

**Not Voting—0**

In The Chair: President

Senator Hammerstrom moved that the bill be given immediate effect.

The motion did not prevail, 2/3 of the members serving not voting therefor.

Senator Hammerstrom requested the yeas and nays.

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

The motion did not prevail, 2/3 of the members serving not voting therefor, as follows:

**Roll Call No. 520**

**Yeas—20**

Allen	Cropsey	Hammerstrom	Sanborn
Birkholz	Garcia	Hardiman	Sikkema

Bishop	George	Jelinek	Stamas
Brown	Gilbert	Johnson	Toy
Cassis	Goschka	Kuipers	Van Woerkom

**Nays—17**

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

**Excused—1**

McManus

**Not Voting—0**

In The Chair: President

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

“An act to provide for the raising of additional public revenue by prescribing certain specific taxes, fees, and charges to be paid to the state for the privilege of engaging in certain business activities; to provide, incident to the enforcement thereof, for the issuance of licenses to engage in such occupations; to provide for the ascertainment, assessment and collection thereof; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this act.”

The Senate agreed to the full title.

**Protest**

Senator Emerson, under his constitutional right of protest (Art. 4, Sec. 18), protested against the motion to give immediate effect to House Bill No. 5106.

Senator Emerson’s statement is as follows:

I just want to make sure that people understand that my intent for withholding immediate effect is because I do not believe this bill is before us in its final form. My hope is that the House will not accept it in its current form and will put it in conference committee. My intent would be to give this bill immediate effect. The other bills we voted not to give immediate effect, I would give immediate effect if there is ever agreement between the Legislature and the administration on this package. I thought maybe we should just go right to the yeas and nays from now on, instead of waiting because we intend to vote “no.”

The following bill was read a third time:

**House Bill No. 5107, entitled**

A bill to amend 1937 PA 94, entitled “Use tax act,” by amending sections 3a and 4 (MCL 205.93a and 205.94), as amended by 2004 PA 172.

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. 521****Yeas—20**

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

**Nays—17**

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

**Excused—1**

McManus

**Not Voting—0**

In The Chair: President

Senator Hammerstrom moved that the bill be given immediate effect.

On which motion Senator Hammerstrom requested the yeas and nays.

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

The motion did not prevail, 2/3 of the members serving not voting therefor, as follows:

**Roll Call No. 522****Yeas—20**

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

**Nays—17**

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



**Excused—1**

McManus

**Not Voting—0**

In The Chair: President

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

“An act to provide for the levy, assessment and collection of a specific excise tax on the storage, use or consumption in this state of tangible personal property and certain services; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this act.”.

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 5095, entitled**

A bill to amend 1941 PA 122, entitled “An act to establish the revenue collection duties of the department of treasury; to prescribe its powers and duties as the revenue collection agency of the state; to prescribe certain powers and duties of the state treasurer; to regulate the importation, stamping, and disposition of certain tobacco products; to provide for the transfer of powers and duties now vested in certain other state boards, commissions, departments and offices; to prescribe certain duties of and require certain reports from the department of treasury; to provide procedures for the payment, administration, audit, assessment, levy of interests or penalties on, and appeals of taxes and tax liability; to prescribe its powers and duties if an agreement to act as agent for a city to administer, collect, and enforce the city income tax act on behalf of a city is entered into with any city; to provide an appropriation; to abolish the state board of tax administration; to prescribe penalties and provide remedies; and to declare the effect of this act,” by amending sections 3, 4, 19, 24, and 31 (MCL 205.3, 205.4, 205.19, 205.24, and 205.31), section 3 as amended by 2003 PA 92, sections 4, 19, and 31 as amended by 2002 PA 657, and section 24 as amended by 2003 PA 201.

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. 523**

**Yeas—21**

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

**Nays—16**

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

**Excused—1**

McManus

**Not Voting—0**

In The Chair: President

Senator Hammerstrom moved that the bill be given immediate effect.

On which motion Senator Hammerstrom requested the yeas and nays.

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

The motion did not prevail, 2/3 of the members serving not voting therefor, as follows:

**Roll Call No. 524****Yeas—21**

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

**Nays—15**

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

**Excused—1**

McManus

**Not Voting—1**

Leland

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

**House Bill No. 5097, entitled**

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 34d (MCL 211.34d), as amended by 2005 PA 12, and by adding section 7jj.

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. 525****Yeas—20**

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

**Nays—17**

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

**Excused—1**

McManus

**Not Voting—0**

In The Chair: President

Senator Hammerstrom moved that the bill be given immediate effect.  
 On which motion Senator Hammerstrom requested the yeas and nays.  
 The yeas and nays were ordered, 1/5 of the members present voting therefor.  
 The motion did not prevail, 2/3 of the members serving not voting therefor, as follows:

**Roll Call No. 526****Yeas—20**

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

**Nays—17**

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

**Excused—1**

McManus

**Not Voting—0**

In The Chair: President

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

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

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 5096, entitled**

A bill to provide for the exemption of certain property from certain taxes; to levy and collect a specific tax upon the owners of certain property; to provide for the disposition of the tax; to prescribe the powers and duties of certain local government officials; and to provide penalties.

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. 527**

**Yeas—20**

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

**Nays—17**

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

**Excused—1**

McManus

**Not Voting—0**

In The Chair: President

Senator Hammerstrom moved that the bill be given immediate effect.

On which motion Senator Hammerstrom requested the yeas and nays.  
 The yeas and nays were ordered, 1/5 of the members present voting therefor.  
 The motion did not prevail, 2/3 of the members serving not voting therefor, as follows:

**Roll Call No. 528****Yeas—20**

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

**Nays—17**

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

**Excused—1**

McManus

**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

Senator Sikkema moved that the Call of the Senate be lifted.  
 The motion prevailed.

By unanimous consent the Senate proceeded to the order of  
**Resolutions**

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

**Senate Resolution No. 79**

The resolution consent calendar was adopted.

Senator Clark-Coleman offered the following resolution:

**Senate Resolution No. 79.**

A resolution memorializing the life of Rosa Louise Parks by declaring December 1, 2005, as Rosa Parks Day.

Whereas, Rosa Parks is the mother of the modern-day Civil Rights Movement whose bravery and fearless actions birthed freedom, justice, and equality for African Americans and people around the world who have been denied humanity because of the color of their skin; and

Whereas, On Monday, October 24, at approximately 7:00 p.m., Mrs. Parks' journey came to a peaceful end. Her life that spanned 92 years will be re-invigorated every time a person of color uses public transportation or drinks from a public water fountain without restraint; and

Whereas, It is with respect and awe that the Michigan Senate marks the occasion of her death by celebrating her storied life and the hundreds of thousands of lives that were saved, mended, and prospered by her refusal to adhere to inhumane and discriminatory practices; and

Whereas, Mrs. Parks' righteous defiance of the law by not giving up her seat to a white man on a Montgomery,

Alabama, but beseeches us to abhor actions and rules that deny our fellow human beings essential civil rights; and

Whereas, By honoring Mrs. Parks, we elevate the memory of those who were inspired to sacrifice their lives in the struggle for civil rights because she decided on December 1, 1955, that she no longer had the energy nor the desire to continue to exist as a second-class citizen in a society that valued the life and happiness of one group over another because of race; and

Whereas, We honor Mrs. Parks today as one of the most influential Americans in history and as one of the greatest civil rights figures in the world; and

Whereas, Her iconic stature belied her small, diminutive frame that somehow carried the weight of the world on that fateful December day. Civil rights workers around the globe use her valiant, nonviolent stance against segregation as a plumb line of success; and

Whereas, The state of Michigan, city of Detroit, and county of Wayne were greatly blessed by her citizenry and will greatly grieve her loss; now, therefore, be it

Resolved by the Senate, That we hereby memorialize the life of Rosa Louise Parks by declaring December 1, 2005, as Rosa Parks Day; and be it further

Resolved, That a copy of this resolution be transmitted to the family of Rosa Parks as a token of our condolences and esteem for the legacy she has bestowed to the citizens of Michigan and this country.

Senator Hammerstrom moved that rule 3.204 be suspended to name the entire membership of the Senate and the Lieutenant Governor as co-sponsors of the resolution.

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

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

**Senate Concurrent Resolution No. 28**

The motion prevailed.

Senator Garcia stated that had he been present on October 20 when the votes were taken on the passage of the following bills, he would have voted "yea":

**Senate Bill No. 789**

**Senate Bill No. 790**

**House Bill No. 4572**

**House Bill No. 4573**

**Senate Bill No. 308**

**House Bill No. 4133**

**Senate Bill No. 799**

**Senate Bill No. 800**

**House Bill No. 4997**

**House Bill No. 4998**

**House Bill No. 4999**

**House Bill No. 5000**

**Senate Bill No. 736**

**House Bill No. 5110**

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

Senator Emerson introduced

**Senate Bill No. 837, entitled**

A bill to amend 1995 PA 279, entitled "Horse racing law of 1995," by amending section 20 (MCL 431.320), as amended by 2000 PA 471.

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

Senator Emerson introduced

**Senate Bill No. 838, entitled**

A bill to amend 1939 PA 280, entitled "The social welfare act," by amending sections 106 and 107 (MCL 400.106 and 400.107), section 106 as amended by 2004 PA 409.

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

Senator Emerson introduced

**Senate Bill No. 839, entitled**

A bill to amend 1933 PA 167, entitled "General sales tax act," by amending section 25 (MCL 205.75), as amended by 2004 PA 544.

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

Senators Kuipers, Jelinek, Van Woerkom, Gilbert, Sanborn, Stamas and Barcia introduced

**Senate Bill No. 840, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 8501, 8502, 8503, 8505, 8506, 8507, 8509, 8510, 8513, and 8517 (MCL 324.8501, 324.8502, 324.8503, 324.8505, 324.8506, 324.8507, 324.8509, 324.8510, 324.8513, and 324.8517), section 8501 as amended and section 8517 as added by 1998 PA 276 and sections 8502, 8503, 8505, 8506, 8507, 8509, 8510, and 8513 as added by 1995 PA 60, and by adding sections 8501a, 8519, 8520, 8521, and 8522; 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 Agriculture, Forestry and Tourism.

Senator Stamas introduced

**Senate Bill No. 841, entitled**

A bill to amend 1980 PA 299, entitled "Occupational code," by amending sections 1301, 1302, 1304, 1305, 1307, and 1308 (MCL 339.1301, 339.1302, 339.1304, 339.1305, 339.1307, and 339.1308), sections 1301, 1305, and 1307 as amended by 1988 PA 463, and by adding section 1303a; 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 Health Policy.

Senator Stamas introduced

**Senate Bill No. 842, entitled**

A bill to amend 1979 PA 152, entitled "State license fee act," by amending section 31 (MCL 338.2231), as amended by 2003 PA 87.

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

Senator Gilbert introduced

**Senate Bill No. 843, entitled**

A bill to amend 1972 PA 222, entitled "An act to provide for an official personal identification card; to provide for its form, issuance and use; to regulate the use and disclosure of information obtained from the card; to prescribe the powers and duties of the secretary of state; to prescribe fees; to prescribe certain penalties for violations; and to provide an appropriation for certain purposes," by amending sections 1 and 2 (MCL 28.291 and 28.292), section 1 as amended by 1997 PA 99 and section 2 as amended by 2003 PA 143.

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

Senator Sanborn introduced

**Senate Bill No. 844, entitled**

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 307 and 314 (MCL 257.307 and 257.314), section 307 as amended by 2004 PA 502 and section 314 as amended by 2004 PA 362.

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

**House Bill No. 5052, entitled**

A bill to amend 1993 PA 327, entitled "Tobacco products tax act," by amending sections 2 and 8 (MCL 205.422 and 205.428), as amended by 2004 PA 474.

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 Judiciary.

**House Bill No. 5133, entitled**

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 605 and 907 (MCL 257.605 and 257.907), section 605 as amended by 2000 PA 97 and section 907 as amended by 2005 PA 1, and by adding section 602b.

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 Technology and Energy.

**House Bill No. 5237, entitled**

A bill to amend 1991 PA 179, entitled "Michigan telecommunications act," by amending sections 101, 102, 103, 201, 202, 203, 203a, 204, 205, 210, 213, 214, 301, 302, 303, 304, 305, 306, 307, 309, 309a, 310, 312, 314a, 315, 316, 316a, 317, 321, 352, 353, 355, 357, 358, 359, 401, 502, 505, and 604 (MCL 484.2101, 484.2102, 484.2103, 484.2201, 484.2202, 484.2203, 484.2203a, 484.2204, 484.2205, 484.2210, 484.2213, 484.2214, 484.2301, 484.2302, 484.2303, 484.2304, 484.2305, 484.2306, 484.2307, 484.2309, 484.2309a, 484.2310, 484.2312, 484.2314a, 484.2315, 484.2316, 484.2316a, 484.2317, 484.2321, 484.2352, 484.2353, 484.2355, 484.2357, 484.2358, 484.2359, 484.2401, 484.2502, 484.2505, and 484.2604), sections 101, 103, 201, 203, 203a, 302, 303, 304, 310, 312, 502, and 604 as amended and sections 214 and 316a as added by 2000 PA 295, section 102 as amended by 1998 PA 41, sections 202, 205, 210, 301, 305, 306, 307, 309a, and 401 as amended and sections 317, 321, 352, 353, 355, 357, 358, and 359 as added by 1995 PA 216, section 213 as amended by 2004 PA 591, section 314a as added by 2003 PA 206, section 316 as amended by 1999 PA 31, and section 505 as added by 1998 PA 260, and by adding sections 211a, 252, 301a, 305a, 305b, 310a, and 353a; and to repeal acts and parts of acts.

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.

Senator Hammerstrom moved that rule 3.203 be suspended to permit referral of the bill to the Committee of the Whole and placed on the order of General Orders.

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

### Statements

Senators Scott, Brown, Clark-Coleman, Patterson and Cassis asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Scott's statement is as follows:

First I would like to give my condolences to the family of an icon, Mrs. Parks, who was considered the mother of civil rights; a woman whom I had the opportunity to get to know and visit her home. So I just want to thank God for her life and that He gave her longevity and thank her for her strength and what she was to all of us who understood what the civil rights meant.

So I stand here, and we still have civil rights issues. Most importantly, this one that deals with insurance. So I am going to read a little excerpt from the *Detroit Free Press* editorial on Sunday, October 23. It says, "One sure way to reduce urban insurance rates significantly would be to prohibit companies from using a customer's address to help set rates or at least restrict how much they could vary from territory to territory. People should know that everyone pays when drivers can't afford insurance and forego it."

So I'm going to read one from my website. This one doesn't come from Detroit. It comes from Clinton Township. It says, "I completely agree with an article that was in the *Free Press* regarding my issue on insurance." It says, "The rates for drivers in this state is downright stealing. I have a 2001 GMC Sonoma pickup, 95K on it and it is nothing more than a throw away truck in comparison to other makes and models. It's inexpensive and affordable to anyone. I've asked my insurance companies in the area for quotes. Since I purchased the truck in 2001 and the minimum will usually be around \$1,300 a year even when the current mileage of 95K. Currently I am 43 with no points and a very good credit record. I did research on the Internet in the fall of 2003, and found in Pennsylvania a company called Unitrin Direct that charges me \$833 per year. It's ironic that folks in Michigan are arguing about taking jobs out of the country, but I am forced to take my money out of state. The local and state economy takes another hit, too bad because my loyalty is to my pocketbook. The less money I spend on insurance, the more I have for other things, like retirement.

One more thing, I did a check on insurance for a brand new Toyota Camry for the Clinton Township, Michigan area back in July. The cost for one year was over 2K while the same coverage for Rock Island, Illinois, a place that I travel to a couple of times a year for work, a quote from an insurance company from that area was about \$700 per year. That does tell me for once, I'll never buy a new vehicle in Michigan, ever. It's too bad because I have the money to purchase a new vehicle but I won't support Michigan insurance businesses, because of their need for greed. They will go broke before I cough up any money for them.

As noted above having my insurance through Unitrin Direct is proof that my insurance can be had very inexpensively, although no Michigan insurance company will admit this, because they hide behind lies, deceit and corruption."

Senator Brown's statement is as follows:



Some stand up to be counted. One good woman sat down and, by doing so, moved us all forward from the back to the front. It took the toll of 600,000 lives to end slavery in America. It took one woman's courage to advance the fulfillment of President Lincoln's proclamation. Her reason for remaining seated was simple: She was tired. She was tired of injustice. She was tired of being valued less. She was tired of being treated as a second-class citizen. She wanted her dignity as a child of God. She wanted her full rights as an American citizen. Her action 50 years ago made her an American hero.

May the memory of Rosa Parks be long remembered in the history of the epic saga that is the American experiment in government.

Senator Clark-Coleman's statement is as follows:

On Monday, October 24, America lost one of its greatest citizens. Civil rights icon Rosa Louise Parks died in peace surrounded by family and friends.

Considered the mother of the modern-day Civil Rights Movement, Mrs. Parks' birthed one of the most successful boycotts in history when hundreds of blacks in Montgomery, Alabama, chose to walk or ride bikes to work instead of enduring the forced indignity of having to give up their seats to the white bus riders. Mrs. Parks was an inspiration to anyone who embraces justice, equality, and peace. People of all races and ethnic backgrounds can point to her contribution to history as a starting point for change in this United State of America.

Mrs. Parks' influence reaches all levels of government in every state of the Union. The celebration of Mrs. Parks' life is reflected through the thoughts of political and spiritual leaders. Here is what they said.

Congressman Charles Rangel, a Democrat of New York: "I truly believe that there's a little bit of Rosa Parks in all Americans who have the courage to say 'enough is enough' and stand up for what they believe in. She did such a small thing, but it was so courageous for her as a humble person to do."

Reverend Jesse Jackson: "Rosa Parks has shown the awesome power of right over might in history's long journey for peace and freedom."

Congressman John Conyers, a Democrat of Michigan: "I remember her as an almost saint-like person, and I use that term with care. She was very humble. She was soft-spoken, but inside she had a determination that was quite fierce."

Cardinal Adam Maida, archbishop of Detroit: "In her own simple way, Rosa Parks changed history, changed the history of our nation. She forced us to recognize the dignity of every person. She was a prophet, a common instrument of God, inviting us and challenging us to a new vision of solidarity, equality, and justice. We were blessed to have her as a citizen of Detroit."

You ask House Speaker Dennis Hastert, a Republican from Illinois, "I fondly remember presenting her with the Congressional Gold Medal of Honor in June of 1999 in the United States Capitol rotunda. At the tender age of 86, she stood to accept the medal and sometimes steadied herself on my arm. Rosa Parks said that her legacy of quiet strength was passing to the youth of this nation. She stood up for what was right by refusing to physically stand up for what was wrong. Her courageous decision mobilized people around the country and launched the modern Civil Rights Movement."

Therefore, my colleagues, I believe that it is more than fitting that we honor the life and legacy of Rosa Parks by declaring December 1, 2005, as Rosa Parks Day. I commend all of my colleagues for unanimously approving my resolution to do so, and I ask that this be placed on the record. I would also ask for a moment of silence for this wonderful, wonderful lady.

A moment of silence was observed in memory of civil rights pioneer Rosa Parks.

Senator Patterson's statement is as follows:

I'd like my remarks to be my permanent record reflecting my willingness to work on the insurance issue previously identified by the gentle lady, the Senator from the 2nd District, who claims to want to lower insurance costs.

I have now taken a bold step in doing so by voting with the majority for a package of tax cuts and against a proposal which would have placed an unreasonable burden on the insurance company by creating a huge tax increase in order to offset a tax cut for personal property tax.

Senator Cassis' statement is as follows:

Interestingly and importantly, Governor Granholm has urged prompt, speedy, and positive action on a tax plan. Michigan's economy, businesses, employees, and laid-off workers are watching, yet, her own caucus here today delayed votes indicating they're interested more in politics than in policy. To my colleagues who voted "no" on this comprehensive business tax relief plan, please know that our Michigan residents are waiting anxiously for relief, and you are telling them to wait even longer.

The Committee on Education reported

**House Bill No. 4726, entitled**

A bill to amend 1976 PA 451, entitled "The revised school code," (MCL 380.1 to 380.1852) by adding section 1177a.

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.

Wayne Kuipers  
Chairperson

To Report Out:

Yeas: Senators Kuipers, Van Woerkom, Clark-Coleman and Leland

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 Education submitted the following:

Meeting held on Thursday, October 20, 2005, at 2:00 p.m., Room 210, Farnum Building

Present: Senators Kuipers (C), Van Woerkom, Clark-Coleman and Leland

Excused: Senator Cassis

The Committee on Local, Urban and State Affairs reported

**House Bill No. 4729, entitled**

A bill to amend 1968 PA 317, entitled "An act relating to the conduct of public servants in respect to governmental decisions and contracts with public entities; to provide penalties for the violation of this act; to repeal certain acts and parts of acts; and to validate certain contracts," by amending section 4 (MCL 15.324).

With the recommendation that the bill pass.

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

Laura M. Toy  
Chairperson

To Report Out:

Yeas: Senators Toy, Birkholz and Basham

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Local, Urban and State Affairs reported

**Senate Bill No. 654, entitled**

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 11a of chapter XVII (MCL 777.11a), as added by 2002 PA 31.

With the recommendation that the bill pass.

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

Laura M. Toy  
Chairperson

To Report Out:

Yeas: Senators Toy, Birkholz and Basham

Nays: None

The bill was referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Local, Urban and State Affairs submitted the following:

Meeting held on Thursday, October 20, 2005, at 1:00 p.m., Room 110, Farnum Building

Present: Senators Toy (C), Birkholz and Basham

Excused: Senators Goschka and Bernero

COMMITTEE ATTENDANCE REPORT

The Joint Subcommittee on Capital Outlay submitted the following:

Meeting held on Thursday, October 20, 2005, at 9:00 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building  
Present: Senators Johnson (C), George, Cropsey, Goschka, Hardiman, Prusi, Clarke and Cherry

#### COMMITTEE ATTENDANCE REPORT

The Legislative Retirement Board of Trustees Investment Subcommittee submitted the following:

Meeting held on Thursday, October 20, 2005, at 2:30 p.m., Room S-929, House Office Building

Present: Senator Leland

Excused: Senator Hammerstrom

#### Scheduled Meetings

**Agriculture, Forestry and Tourism** - Thursday, October 27, 9:00 a.m., Room 110, Farnum Building (373-1635)

#### **Appropriations -**

##### **Subcommittee -**

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

**Banking and Financial Institutions** - Thursday, October 27, 12:00 noon, Room 100, Farnum Building (373-2417)

**Economic Development, Small Business and Regulatory Reform** - Wednesday, October 26, 3:00 p.m., Rooms 402 and 403, Capitol Building (373-7670)

**Gaming and Casino Oversight** - Wednesday, October 26, 1:00 p.m., Room 210, Farnum Building (373-2413)

**Health Policy** - Wednesday, October 26, 1:00 p.m., Senate Hearing Room, Ground Floor, Boji Tower (373-3543)

**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)

**Technology and Energy** - Wednesday, October 26, 3:00 p.m., Room 210, Farnum Building (373-7350)

Senator Hammerstrom moved that the Senate adjourn.

The motion prevailed, the time being 3:31 p.m.

The President, Lieutenant Governor Cherry, declared the Senate adjourned until Wednesday, October 26, 2005, at 10:00 a.m.

CAROL MOREY VIVENTI  
Secretary of the Senate

