

No. 41
STATE OF MICHIGAN
Journal of the Senate
94th Legislature
REGULAR SESSION OF 2007

Senate Chamber, Lansing, Thursday, May 3, 2007.

10:00 a.m.

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

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

Allen—present
Anderson—present
Barcia—present
Basham—present
Birkholz—present
Bishop—present
Brater—present
Brown—present
Cassis—present
Cherry—present
Clark-Coleman—present
Clarke—present
Cropsey—present

Garcia—present
George—present
Gilbert—present
Gleason—present
Hardiman—present
Hunter—present
Jacobs—present
Jansen—present
Jelinek—present
Kahn—present
Kuipers—present
McManus—present
Olshove—present

Pappageorge—present
Patterson—present
Prusi—present
Richardville—present
Sanborn—present
Schauer—present
Scott—present
Stamas—present
Switalski—present
Thomas—present
Van Woerkom—present
Whitmer—present

Senator James A. Barcia of the 31st District offered the following invocation:

Dear God, please look down on us with grace, and grant us the wisdom and compassion to do what is right and just for the people of Michigan. We have been entrusted with the responsibility to lead. We ask that You guide us in all of our actions.

The challenges we face are daunting and we must make difficult decisions as legislators. Please give us the strength to fulfill our duties honestly and fairly. Let us always remember that we are here to serve Your will and the public good. Amen.

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

Motions and Communications

Senator Cherry entered the Senate Chamber.

The Secretary announced that the following House bill was received in the Senate and filed on Wednesday, May 2:
House Bill No. 4367

The Secretary announced that the following official bills were printed on Wednesday, May 2, and are available at the legislative website:

| | | | | | | | | | | | | | | | | | | | |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--|--|--|--|--|
| Senate Bill Nos. | 467 | 468 | | | | | | | | | | | | | | | | | |
| House Bill Nos. | 4682 | 4683 | 4684 | 4685 | 4686 | 4687 | 4688 | 4689 | 4690 | 4691 | 4692 | 4693 | 4694 | 4695 | | | | | |
| | 4696 | 4697 | 4698 | 4699 | | | | | | | | | | | | | | | |

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

Senator Anderson moved that Senators Brater and Hunter be temporarily excused from today's session.
The motion prevailed.

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

Senators Brater and Hunter entered the Senate Chamber.

Senate Bill No. 404, entitled

A bill to make, supplement, and adjust appropriations for various state departments and agencies and for capital outlay for the fiscal year ending September 30, 2007; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

(For text of amendments, see Senate Journal No. 40, p. 540.)

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

The amendments were concurred in, a majority of the members serving voting therefor, as follows:

Roll Call No. 83

Yeas—37

| | | | |
|----------|---------------|-------------|--------------|
| Allen | Clark-Coleman | Jacobs | Prusi |
| Anderson | Clarke | Jansen | Richardville |
| Barcia | Cropsey | Jelinek | Sanborn |
| Basham | Garcia | Kahn | Schauer |
| Birkholz | George | Kuipers | Scott |
| Bishop | Gilbert | McManus | Stamas |
| Brater | Gleason | Olshove | Switalski |
| Brown | Hardiman | Pappageorge | Van Woerkom |
| Cassis | Hunter | Patterson | Whitmer |
| Cherry | | | |

Nays—0

Excused—1

Thomas

Not Voting—0

In The Chair: President

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

Third Reading of Bills

Senator Cropsey moved that the following bill be placed at the head of the Third Reading of Bills calendar:
Senate Bill No. 94
The motion prevailed.

The following bill was read a third time:
Senate Bill No. 94, entitled

A bill to provide for the imposition, levy, computation, collection, assessment, reporting, payment, and enforcement of taxes on certain commercial, business, and financial activities; to prescribe the powers and duties of public officers and state departments; to provide for the inspection of certain taxpayer records; to provide for interest and penalties; to provide exemptions, credits, and refunds; to provide for the disposition of funds; and to provide for the interrelation of this act with other acts.

The question being on the passage of the bill,
Senator Cassis offered the following substitute:
Substitute (S-8).

The question being on the adoption of the substitute,
Senator Pappageorge offered the following amendment to the substitute:

- 1. Amend page 92, line 26, after “of” by striking out “0.45%” and inserting “0.225%”.
- The amendment to the substitute was adopted.

- Senator Prusi offered the following amendments to the substitute:
- 1. Amend page 12, line 19, after “of” by striking out “.54%” and inserting “.70%”.
 - 2. Amend page 109, line 3, by striking out all of section 91.

The amendments to the substitute were not adopted.

Senator Anderson requested the yeas and nays.

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

The amendments to the substitute were not adopted, a majority of the members not voting therefor, as follows:

Roll Call No. 84

Yeas—17

Anderson
Barcia
Basham
Brater
Cherry

Clark-Coleman
Clarke
Garcia
Gleason

Hunter
Jacobs
Olshove
Prusi

Schauer
Scott
Switalski
Whitmer

Nays—20

| | | | |
|----------|----------|-------------|--------------|
| Allen | Cropsey | Jelinek | Patterson |
| Birkholz | George | Kahn | Richardville |
| Bishop | Gilbert | Kuipers | Sanborn |
| Brown | Hardiman | McManus | Stamas |
| Cassis | Jansen | Pappageorge | Van Woerkom |

Excused—1

Thomas

Not Voting—0

In The Chair: President

Senator Richardville offered the following amendment to the substitute:

1. Amend page 75, following line 15, by inserting:

“Sec. 34. (1) For tax years that begin on or after January 1, 2008 and end before January 1, 2018, an eligible taxpayer may claim a credit against the tax imposed by this act equal to the amount of the capital expenditures during the tax year for which the credit under this section is claimed, not to exceed \$1.00.

(2) If the credit allowed under this section for the tax year exceeds the taxpayer’s tax liability for the tax year, that portion which exceeds the tax liability for the tax year shall not be refunded and may not be carried forward to offset tax liability in subsequent years.

(3) As used in this section:

(a) “Eligible taxpayer” means any of the following:

(i) A person who owns and operates a motorsports entertainment complex.

(ii) A person who is the lessee and operator of a motorsports entertainment complex or the lessee of the land on which a motorsports entertainment complex is located and operates that motorsports entertainment complex.

(iii) A person who operates and maintains a motorsports entertainment complex under an operation and management agreement.

(b) “Motorsports entertainment complex” means a closed-course motorsports facility, and its ancillary grounds and facilities, that satisfies all of the following:

(i) Has at least 70,000 fixed seats for race patrons.

(ii) Has at least 6 scheduled days of motorsports events each calendar year.

(iii) Serves food and beverages at the motorsports entertainment complex during motorsports events each calendar year through concession outlets, which are staffed by individuals who represent or are members of 1 or more nonprofit civic or charitable organizations that directly benefit from the concession outlets’ sales.

(iv) Engages in tourism promotion.

(v) Has permanent exhibitions of motorsports history, events, or vehicles within the motorsports entertainment complex.

(c) “Motorsports event” means a motorsports race and its ancillary activities that have been sanctioned by a sanctioning body.

(d) “Sanctioning body” means the American motorcycle association (AMA); auto racing club of America (ARCA); championship auto racing teams (CART); grand American road racing association (GRAND AM); Indy racing league (IRL); national association for stock car auto racing (NASCAR); national hot rod association (NHRA); professional sportscar racing (PSR); sports car club of America (SCCA); United States auto club (USAC); Michigan state promoters association; or any successor organization or any other nationally or internationally recognized governing body of motorsports that establishes an annual schedule of motorsports events and grants rights to conduct the events, that has established and administers rules and regulations governing all participants involved in the events and all persons conducting the events, and that requires certain liability assurances, including insurance.”.

The amendment to the substitute was adopted.

Senator Richardville offered the following amendment to the substitute:

1. Amend page 75, following line 15, by inserting:

“Sec. 35. (1) Except as otherwise limited in this section, a taxpayer not subject to the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532, may claim a credit against the tax imposed under this act for the tax year equal to 50% of the aggregate amount of charitable contributions made by the taxpayer during the tax year to a public broadcast station as defined by 47 USC 397 that is not affiliated with an institution of higher education, a public library, an institution of higher learning located within this state, or the Michigan colleges foundation or of charitable contributions made to a nonprofit corporation, fund, foundation, trust, or association organized and operated exclusively for the benefit of an institution of higher learning. If an institution of higher learning receives the contributions through a nonprofit corporation, fund, foundation, trust, or association organized and operated exclusively for the benefit of the institution of higher learning, the tax credit shall be permitted only if the donee nonprofit corporation, fund, foundation, trust, or association is controlled or approved and reviewed by the governing boards of the institutions benefiting from the charitable contributions. The nonprofit corporation, fund, foundation, trust, or association shall provide copies of its annual independently audited financial statements to the auditor general and to the chairpersons of the senate and house appropriations committees.

(2) The amount allowable as a credit under this section for any tax year shall not exceed 5% of the tax liability for that year as determined without regard to this section or \$5,000.00, whichever is less.

(3) As used in this section, “institution of higher learning” means an educational institution located within this state meeting all of the following requirements:

(a) It maintains a regular faculty and curriculum and has a regularly enrolled body of students in attendance at the place where its educational activities are carried on.

(b) It regularly offers education above the twelfth grade.

(c) It awards associate, bachelors, masters, or doctoral degrees or any combination of those degrees or higher education credits acceptable for those degrees granted by other institutions of higher learning.

(d) It is recognized by the state board of education as an institution of higher learning and appears as an institution of higher learning in the annual publication of the department of education entitled “the directory of institutions of higher education”.

(4) As used in this section, “public library” means that term as defined in section 2 of the state aid to public libraries act, 1977 PA 89, MCL 397.552.

(5) The credit allowed under this section shall not exceed the tax liability of the taxpayer.

Sec. 36. (1) A qualified taxpayer with a rehabilitation plan certified after December 31, 2007 or a qualified taxpayer that has a rehabilitation plan certified before January 1, 2008 under section 39c of former 1975 PA 228 for the rehabilitation of a historic resource for which a certification of completed rehabilitation has been issued after the end of the taxpayer’s last tax year may credit against the tax imposed by this act the amount determined pursuant to subsection (2) for the qualified expenditures for the rehabilitation of a historic resource pursuant to the rehabilitation plan in the year in which the certification of completed rehabilitation of the historic resource is issued provided that the certification of completed rehabilitation was issued not more than 5 years after the rehabilitation plan was certified by the Michigan historical center.

(2) The credit allowed under this section shall be 25% of the qualified expenditures that are eligible for the credit under section 47(a)(2) of the internal revenue code if the taxpayer is eligible for the credit under section 47(a)(2) of the internal revenue code or, if the taxpayer is not eligible for the credit under section 47(a)(2) of the internal revenue code, 25% of the qualified expenditures that would qualify under section 47(a)(2) of the internal revenue code except that the expenditures are made to a historic resource that is not eligible for the credit under section 47(a)(2) of the internal revenue code, subject to both of the following:

(a) A taxpayer with qualified expenditures that are eligible for the credit under section 47(a)(2) of the internal revenue code may not claim a credit under this section for those qualified expenditures unless the taxpayer has claimed and received a credit for those qualified expenditures under section 47(a)(2) of the internal revenue code.

(b) A credit under this section shall be reduced by the amount of a credit received by the taxpayer for the same qualified expenditures under section 47(a)(2) of the internal revenue code.

(3) To be eligible for the credit under this section, the taxpayer shall apply to and receive from the Michigan historical center certification that the historic significance, the rehabilitation plan, and the completed rehabilitation of the historic resource meet the criteria under subsection (6) and either of the following:

(a) All of the following criteria:

(i) The historic resource contributes to the significance of the historic district in which it is located.

(ii) Both the rehabilitation plan and completed rehabilitation of the historic resource meet the federal secretary of the interior’s standards for rehabilitation and guidelines for rehabilitating historic buildings, 36 CFR part 67.

(iii) All rehabilitation work has been done to or within the walls, boundaries, or structures of the historic resource or to historic resources located within the property boundaries of the property.

(b) The taxpayer has received certification from the national park service that the historic resource’s significance, the rehabilitation plan, and the completed rehabilitation qualify for the credit allowed under section 47(a)(2) of the internal revenue code.

(4) If a qualified taxpayer is eligible for the credit allowed under section 47(a)(2) of the internal revenue code, the qualified taxpayer shall file for certification with the center to qualify for the credit allowed under section 47(a)(2) of the internal revenue code. If the qualified taxpayer has previously filed for certification with the center to qualify for the credit allowed under section 47(a)(2) of the internal revenue code, additional filing for the credit allowed under this section is not required.

(5) The center may inspect a historic resource at any time during the rehabilitation process and may revoke certification of completed rehabilitation if the rehabilitation was not undertaken as represented in the rehabilitation plan or if unapproved alterations to the completed rehabilitation are made during the 5 years after the tax year in which the credit was claimed. The center shall promptly notify the department of a revocation.

(6) Qualified expenditures for the rehabilitation of a historic resource may be used to calculate the credit under this section if the historic resource meets 1 of the criteria listed in subdivision (a) and 1 of the criteria listed in subdivision (b):

(a) The resource is 1 of the following during the tax year in which a credit under this section is claimed for those qualified expenditures:

(i) Individually listed on the national register of historic places or state register of historic sites.

(ii) A contributing resource located within a historic district listed on the national register of historic places or the state register of historic sites.

(iii) A contributing resource located within a historic district designated by a local unit pursuant to an ordinance adopted under the local historic districts act, 1970 PA 169, MCL 399.201 to 399.215.

(b) The resource meets 1 of the following criteria during the tax year in which a credit under this section is claimed for those qualified expenditures:

(i) The historic resource is located in a designated historic district in a local unit of government with an existing ordinance under the local historic districts act, 1970 PA 169, MCL 399.201 to 399.215.

(ii) The historic resource is located in an incorporated local unit of government that does not have an ordinance under the local historic districts act, 1970 PA 169, MCL 399.201 to 399.215, and has a population of less than 5,000.

(iii) The historic resource is located in an unincorporated local unit of government.

(iv) The historic resource is located in an incorporated local unit of government that does not have an ordinance under the local historic districts act, 1970 PA 169, MCL 399.201 to 399.215, and is located within the boundaries of an association that has been chartered under 1889 PA 39, MCL 455.51 to 455.72.

(7) If a qualified taxpayer is a partnership, limited liability company, or subchapter S corporation, the qualified taxpayer may assign all or any portion of a credit allowed under this section to its partners, members, or shareholders, based on the partner's, member's, or shareholder's proportionate share of ownership or based on an alternative method approved by the department. A credit assignment under this subsection is irrevocable and shall be made in the tax year in which a certificate of completed rehabilitation is issued. A qualified taxpayer may claim a portion of a credit and assign the remaining credit amount. A partner, member, or shareholder that is an assignee shall not subsequently assign a credit or any portion of a credit assigned to the partner, member, or shareholder under this subsection. A credit amount assigned under this subsection may be claimed against the partner's, member's, or shareholder's tax liability under this act or under the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532. A credit assignment under this subsection shall be made on a form prescribed by the department. The qualified taxpayer and assignees shall send a copy of the completed assignment form to the department in the tax year in which the assignment is made and attach a copy of the completed assignment form to the annual return required to be filed under this act for that tax year.

(8) If the credit allowed under this section for the tax year and any unused carryforward of the credit allowed by this section exceed the taxpayer's tax liability for the tax year, that portion that exceeds the tax liability for the tax year shall not be refunded but may be carried forward to offset tax liability in subsequent tax years for 10 years or until used up, whichever occurs first. An unused carryforward of a credit under section 39c of former 1975 PA 228 that was unused at the end of the last tax year for which former 1975 PA 228 was in effect may be claimed against the tax imposed under this act for the years the carryforward would have been available under section 39c of former 1975 PA 228.

(9) If the taxpayer sells a historic resource for which a credit was claimed under this section or under section 39c of former 1975 PA 228 less than 5 years after the year in which the credit was claimed, the following percentage of the credit amount previously claimed relative to that historic resource shall be added back to the tax liability of the taxpayer in the year of the sale:

(a) If the sale is less than 1 year after the year in which the credit was claimed, 100%.

(b) If the sale is at least 1 year but less than 2 years after the year in which the credit was claimed, 80%.

(c) If the sale is at least 2 years but less than 3 years after the year in which the credit was claimed, 60%.

(d) If the sale is at least 3 years but less than 4 years after the year in which the credit was claimed, 40%.

(e) If the sale is at least 4 years but less than 5 years after the year in which the credit was claimed, 20%.

(f) If the sale is 5 years or more after the year in which the credit was claimed, an addback to the taxpayer's tax liability shall not be made.

(10) If a certification of completed rehabilitation is revoked under subsection (5) less than 5 years after the year in which a credit was claimed under this section or under section 39c of former 1975 PA 228, the following percentage

of the credit amount previously claimed relative to that historic resource shall be added back to the tax liability of the taxpayer in the year of the revocation:

- (a) If the revocation is less than 1 year after the year in which the credit was claimed, 100%.
- (b) If the revocation is at least 1 year but less than 2 years after the year in which the credit was claimed, 80%.
- (c) If the revocation is at least 2 years but less than 3 years after the year in which the credit was claimed, 60%.
- (d) If the revocation is at least 3 years but less than 4 years after the year in which the credit was claimed, 40%.
- (e) If the revocation is at least 4 years but less than 5 years after the year in which the credit was claimed, 20%.
- (f) If the revocation is 5 years or more after the year in which the credit was claimed, an addback to the taxpayer's tax liability shall not be made.

(11) The department of history, arts, and libraries through the Michigan historical center may impose a fee to cover the administrative cost of implementing the program under this section.

(12) The qualified taxpayer shall attach all of the following to the qualified taxpayer's annual return required under this act or under the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532, if applicable, on which the credit is claimed:

- (a) Certification of completed rehabilitation.
- (b) Certification of historic significance related to the historic resource and the qualified expenditures used to claim a credit under this section.
- (c) A completed assignment form if the qualified taxpayer has assigned any portion of a credit allowed under this section to a partner, member, or shareholder or if the taxpayer is an assignee of any portion of a credit allowed under this section.

(13) The department of history, arts, and libraries shall promulgate rules to implement this section pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(14) The total of the credits claimed under this section and section 266 of the income tax act of 1967, 1967 PA 281, MCL 206.266, for a rehabilitation project shall not exceed 25% of the total qualified expenditures eligible for the credit under this section for that rehabilitation project.

(15) The department of history, arts, and libraries through the Michigan historical center shall report all of the following to the legislature annually for the immediately preceding state fiscal year:

- (a) The fee schedule used by the center and the total amount of fees collected.
- (b) A description of each rehabilitation project certified.
- (c) The location of each new and ongoing rehabilitation project.

(16) As used in this section:

(a) "Contributing resource" means a historic resource that contributes to the significance of the historic district in which it is located.

(b) "Historic district" means an area, or group of areas not necessarily having contiguous boundaries, that contains 1 resource or a group of resources that are related by history, architecture, archaeology, engineering, or culture.

(c) "Historic resource" means a publicly or privately owned historic building, structure, site, object, feature, or open space located within a historic district designated by the national register of historic places, the state register of historic sites, or a local unit acting under the local historic districts act, 1970 PA 169, MCL 399.201 to 399.215, or that is individually listed on the state register of historic sites or national register of historic places, and includes all of the following:

(i) An owner-occupied personal residence or a historic resource located within the property boundaries of that personal residence.

(ii) An income-producing commercial, industrial, or residential resource or a historic resource located within the property boundaries of that resource.

(iii) A resource owned by a governmental body, nonprofit organization, or tax-exempt entity that is used primarily by a taxpayer lessee in a trade or business unrelated to the governmental body, nonprofit organization, or tax-exempt entity and that is subject to tax under this act.

(iv) A resource that is occupied or utilized by a governmental body, nonprofit organization, or tax-exempt entity pursuant to a long-term lease or lease with option to buy agreement.

(v) Any other resource that could benefit from rehabilitation.

(d) "Last tax year" means the taxpayer's tax year under former 1975 PA 228 that begins after December 31, 2006 and before January 1, 2008.

(e) "Local unit" means a county, city, village, or township.

(f) "Long-term lease" means a lease term of at least 27.5 years for a residential resource or at least 31.5 years for a nonresidential resource.

(g) "Michigan historical center" or "center" means the state historic preservation office of the Michigan historical center of the department of history, arts, and libraries or its successor agency.

(h) "Open space" means undeveloped land, a naturally landscaped area, or a formal or man-made landscaped area that provides a connective link or a buffer between other resources.

(i) "Person" means an individual, partnership, corporation, association, governmental entity, or other legal entity.

(j) "Qualified expenditures" means capital expenditures that qualify for a rehabilitation credit under section 47(a)(2) of the internal revenue code if the taxpayer is eligible for the credit under section 47(a)(2) of the internal revenue code or, if the taxpayer is not eligible for the credit under section 47(a)(2) of the internal revenue code, the qualified expenditures that would qualify under section 47(a)(2) of the internal revenue code except that the expenditures are made to a historic resource that is not eligible for the credit under section 47(a)(2) of the internal revenue code that were paid not more than 5 years after the certification of the rehabilitation plan that included those expenditures was approved by the center, and that were paid after December 31, 1998 for the rehabilitation of a historic resource. Qualified expenditures do not include capital expenditures for nonhistoric additions to a historic resource except an addition that is required by state or federal regulations that relate to historic preservation, safety, or accessibility.

(k) "Qualified taxpayer" means a person that is an assignee under subsection (7) or either owns the resource to be rehabilitated or has a long-term lease agreement with the owner of the historic resource and that has qualified expenditures for the rehabilitation of the historic resource equal to or greater than 10% of the state equalized valuation of the property. If the historic resource to be rehabilitated is a portion of a historic or nonhistoric resource, the state equalized valuation of only that portion of the property shall be used for purposes of this subdivision. If the assessor for the local tax collecting unit in which the historic resource is located determines the state equalized valuation of that portion, that assessor's determination shall be used for purposes of this subdivision. If the assessor does not determine that state equalized valuation of that portion, qualified expenditures, for purposes of this subdivision, shall be equal to or greater than 5% of the appraised value as determined by a certified appraiser. If the historic resource to be rehabilitated does not have a state equalized valuation, qualified expenditures for purposes of this subdivision shall be equal to or greater than 5% of the appraised value of the resource as determined by a certified appraiser.

(l) "Rehabilitation plan" means a plan for the rehabilitation of a historic resource that meets the federal secretary of the interior's standards for rehabilitation and guidelines for rehabilitation of historic buildings under 36 CFR part 67."

The amendment to the substitute was adopted.

Senator Richardville offered the following amendment to the substitute:

1. Amend page 75, following line 15, by inserting:

"Sec. 37. (1) Subject to the applicable limitations in this section, a taxpayer who does not claim a credit under section 261 of the income tax act of 1967, 1967 PA 281, MCL 206.261, may credit against the tax imposed by this act 50% of the amount the taxpayer contributes during the taxable year to an endowment fund of a community foundation or a school foundation.

(2) The credit allowed by this section shall not exceed 5% of the taxpayer's tax liability for the tax year before claiming any credits allowed by this act or \$5,000.00, whichever is less.

(3) The credit allowed by this section is nonrefundable so that a taxpayer shall not claim under this section a total credit amount that reduces the taxpayer's tax liability to less than zero.

(4) As used in this section, "community foundation" means an organization that applies for certification on or before May 15 of the tax year for which the taxpayer is claiming the credit and that the department certifies for that tax year as meeting all of the following requirements:

(a) Qualifies for exemption from federal income taxation under section 501(c)(3) of the internal revenue code.

(b) Supports a broad range of charitable activities within the specific geographic area of this state that it serves, such as a municipality or county.

(c) Maintains an ongoing program to attract new endowment funds by seeking gifts and bequests from a wide range of potential donors in the community or area served.

(d) Is publicly supported as defined by the regulations of the United States department of treasury, 26 CFR 1.170A-9(e)(10). To maintain certification, the community foundation shall submit documentation to the department annually that demonstrates compliance with this subdivision.

(e) Is not a supporting organization as an organization is described in section 509(a)(3) of the internal revenue code and the regulations of the United States department of treasury, 26 CFR 1.509(a)-4 and 1.509(a)-5.

(f) Meets the requirements for treatment as a single entity contained in the regulations of the United States department of treasury, 26 CFR 1.170A-9(e)(11).

(g) Except as provided in subsection (6), is incorporated or established as a trust at least 6 months before the beginning of the tax year for which the credit under this section is claimed and that has an endowment value of at least \$100,000.00 before the expiration of 18 months after the community foundation is incorporated or established.

(h) Has an independent governing body representing the general public's interest and that is not appointed by a single outside entity.

(i) Provides evidence to the department that the community foundation has, before the expiration of 6 months after the community foundation is incorporated or established, and maintains continually during the tax year for which the credit under this section is claimed, at least 1 part-time or full-time employee.

(j) For community foundations that have an endowment value of \$1,000,000.00 or more only, the community foundation is subject to an annual independent financial audit and provides copies of that audit to the department not more than 3 months after the completion of the audit. For community foundations that have an endowment value of less than \$1,000,000.00, the community foundation is subject to an annual review and an audit every third year.

(k) In addition to all other criteria listed in this subsection for a community foundation that is incorporated or established after the effective date of the amendatory act that added this subdivision, operates in a county of this state that was not served by a community foundation when the community foundation was incorporated or established or operates as a geographic component of an existing certified community foundation.

(5) On or before July 1 of each year, the department shall report to the house of representatives committee on taxation and the senate committee on finance the total amount of tax credits claimed under this section and under section 261 of the income tax act of 1967, 1967 PA 281, MCL 206.261, for the immediately preceding tax year.

(6) A taxpayer may claim a credit under this section for contributions to a community foundation made before the expiration of the 18-month period after a community foundation was incorporated or established during which the community foundation must build an endowment value of \$100,000.00 as provided in subsection (4)(g). If the community foundation does not reach the required \$100,000.00 endowment value during that 18-month period, contributions to the community foundation made after the date on which the 18-month period expires shall not be used to calculate a credit under this section. At any time after the expiration of the 18-month period under subsection (4)(g) that the community foundation has an endowment value of \$100,000.00, the community foundation may apply to the department for certification under this section.”.

The question being on the adoption of the amendment,

Senator Richardville moved that consideration of the amendment be postponed temporarily.

The motion prevailed.

Recess

Senator Cropsey moved that the Senate recess until subject to the call of the Chair

The motion prevailed, the time being 10:33 a.m.

10:45 a.m.

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

By unanimous consent the Senate returned to consideration of the third set of amendments offered by Senator Richardville.

The question being on the adoption of the amendment,

The amendment to the substitute was adopted.

Senator Kahn offered the following amendment to the substitute:

1. Amend page 75, following line 15, by inserting:

“Sec. 38. (1) A taxpayer may claim a credit against the tax imposed by this act equal to the sum of 50% of the qualified expenses defined in subsection (5)(d)(i) and (ii) and 100% of the qualified expenses defined in subsection (5)(d)(iii) paid by the taxpayer in the tax year in each of the following circumstances:

(a) Except for apprentices trained under subdivision (b) or (c), an amount not to exceed \$2,000.00 for each apprentice trained by the taxpayer in the tax year.

(b) For companies that have a classification under the North American industrial classification system (NAICS) of 333511, 333512, 333513, 333514, or 333515 and for tax years that begin after December 31, 2003, an amount not to exceed \$4,000.00 for each apprentice trained by the taxpayer in the tax year.

(c) For companies that have a classification under the North American industrial classification system (NAICS) of 333511, 333512, 333513, 333514, or 333515 and for tax years that begin after December 31, 2003, an amount not to exceed \$1,000.00 for each special apprentice trained by the taxpayer in the tax year.

(2) If the credit allowed under this section exceeds the tax liability of the taxpayer under this act for the tax year, that portion of the credit that exceeds the tax liability shall be refunded.

(3) The credit allowed under this section shall be claimed on the annual return required under section 72, or for a taxpayer that is not required to file an annual return, the department shall provide that the credit under this subsection may be claimed on the C-8044 form, a successor form for persons not required to file an annual return, or other simplified form prescribed by the department.

(4) For each year that this credit is in effect, the department of labor and economic growth shall prepare a report containing information including, but not limited to, the number of companies taking advantage of the apprenticeship credit, the number of apprentices participating in the program, the number of apprentices who complete a program the costs of which were the basis of a credit under this section, the number of apprentices that were hired by the taxpayer after the apprenticeship training was completed for which the taxpayer claimed a credit under this section for the costs of training that apprentice, information on the employment status of individuals who have completed an apprenticeship to the extent the information is available, and the fiscal impact of the apprenticeship credit. This report shall then be transmitted to the house tax policy and senate finance committees and to the house and senate appropriations committees. This report shall be due no later than the first day of March each year.

(5) As used in this section:

(a) "Apprentice" means a person who is a resident of this state, is 16 years of age or older but younger than 20 years of age, has not obtained a high school diploma, is enrolled in high school or a general education development (G.E.D.) test preparation program, and is trained by a taxpayer through a program that meets all of the following criteria:

(i) The program is registered with the bureau of apprenticeship and training of the United States department of labor.

(ii) The program is provided pursuant to an apprenticeship agreement signed by the taxpayer and the apprentice.

(iii) The program is filed with a local workforce development board.

(iv) The minimum term in hours for the program shall be not less than 4,000 hours.

(b) "Enrolled" means currently enrolled or expecting to enroll after a period of less than 3 months during which the program is not in operation and the apprentice is not enrolled.

(c) "Local workforce development board" means a board established by the chief elected official of a local unit of government pursuant to the job training partnership act, Public Law 97-300, 96 Stat. 1322, that has the responsibility to ensure that the workforce needs of the employers in the geographic area governed by the local unit of government are met.

(d) "Qualified expenses" means all of the following expenses paid by the taxpayer in a tax year that begins after December 31, 1996 for expenses used to calculate a credit under subsection (1)(a) and after December 31, 2003 for expenses used to calculate a credit under subsection (1)(b) that were not paid for with funds the taxpayer received or retained that the taxpayer would not otherwise have received or retained and that are used for training an apprentice:

(i) Salary and wages paid to an apprentice.

(ii) Fringe benefits and other payroll expenses paid for the benefit of an apprentice.

(iii) Costs of classroom instruction and related expenses identified as costs for which the taxpayer is responsible under an apprenticeship agreement, including but not limited to tuition, fees, and books for college level courses taken while the apprentice is enrolled in high school.

(e) "Special apprentice" means a person who is not an apprentice as defined by subsection (5)(a), is a resident of this state, is 16 years of age or older but younger than 25 years of age, and is trained by a taxpayer through a program that meets all of the criteria under subdivision (a)(i) to (iv)."

The amendment to the substitute was adopted.

Senator Kahn offered the following amendment to the substitute:

1. Amend page 75, following line 15, by inserting:

"Sec. 39. (1) For tax years that begin after December 31, 2007 and before January 1, 2010, a taxpayer may claim a credit against the tax imposed by this act, subject to the applicable limitations provided by this section, in an amount equal to 50% of the fair market value of an automobile donated by the taxpayer to a qualified organization that intends to provide the automobile to a qualified recipient.

(2) The value of a passenger vehicle shall be determined by the qualified organization or by using the value of the automobile in the appropriate guide published by the national automobile dealers association, whichever is less.

(3) The amount allowable as a credit under this section for a tax year shall not exceed \$100.00.

(4) If the credit allowed under this section exceeds the tax liability of the taxpayer for the tax year, that amount that exceeds the tax liability shall not be refunded.

(5) As used in this section, "qualified organization" and "qualified recipient" mean those terms as defined in section 4y of the use tax act, 1937 PA 94, MCL 205.94y."

The amendment to the substitute was adopted.

The question being on the adoption of the substitute, as amended,

The substitute was not adopted, a majority of the members serving not voting therefor.

Senator Cropsey requested the yeas and nays.

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

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

Roll Call No. 85**Yeas—21**

Allen
Birkholz
Bishop
Brown
Cassis
Cropsey

Garcia
George
Gilbert
Hardiman
Jansen

Jelinek
Kahn
Kuipers
McManus
Pappageorge

Patterson
Richardville
Sanborn
Stamas
Van Woerkom

Nays—16

Anderson
Barcia
Basham
Brater

Cherry
Clark-Coleman
Clarke
Gleason

Hunter
Jacobs
Olshove
Prusi

Schauer
Scott
Switalski
Whitmer

Excused—1

Thomas

Not Voting—0

In The Chair: President

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. 86**Yeas—20**

Allen
Birkholz
Bishop
Brown
Cassis

Cropsey
Garcia
George
Gilbert
Hardiman

Jansen
Jelinek
Kahn
Kuipers
McManus

Pappageorge
Patterson
Richardville
Stamas
Van Woerkom

Nays—17

Anderson
Barcia
Basham
Brater
Cherry

Clark-Coleman
Clarke
Gleason
Hunter

Jacobs
Olshove
Prusi
Sanborn

Schauer
Scott
Switalski
Whitmer

Excused—1

Thomas

Not Voting—0

In The Chair: President

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

A bill to provide for the imposition, levy, computation, collection, assessment, reporting, payment, and enforcement of taxes on certain commercial, business, and financial activities; to prescribe the powers and duties of public officers and state departments; to provide for the inspection of certain taxpayer records; to provide for interest and penalties; to provide exemptions, credits, and refunds; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to repeal acts and parts of acts.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

Protests

Senators Switalski, Prusi, Whitmer and Jacobs, under their constitutional right of protest (Art. 4, Sec. 18), protested against the passage of Senate Bill No. 94 and moved that the statements they made during the discussion of the bill be printed as their reasons for voting “no.”

The motion prevailed.

Senator Switalski’s statement is as follows:

The budgets we have been voting on and approving in Appropriations represent higher levels of spending over the current fiscal year ’07 level. As we all know, the current budget is about a billion dollars in the hole. Now the majority is offering an SBT replacement plan today that cuts revenue by \$500 million—according to the Senate Fiscal Agency—and also a PPT cut that starts at \$100 million and grows to maybe \$700 million, and a flurry of other recent amendments that cut back taxes and other credits and add more red ink. In fact, Mr. President, I was very glad to see us stop the amendments because every time we did one, we lost more money.

So a reasonable person, like some nice young woman on Wall Street, might ask, “Well, how does Michigan plan to pay for fiscal year ’08 budgets that are higher than ’07 levels, when ’07 was a billion dollars in the hole and the Senate fixed the SBT problem by cutting another billion in revenue?”

There is no good answer to that question. I will vote “no” on Senate Bill No. 94.

Senator Prusi’s statement is as follows:

Earlier in debate on this issue, there was talk of whether the status quo of doing the same things over and over again was a proper path. I would put before you the proposition that we are doing the same things over and over again, something which obviously did not work because many of you served at the same period of time as I did back in the House of Representatives when Michigan’s economy was booming. We had the No. 1 site selection for new jobs and start-ups. I must confess I voted for the first round of tax cuts under the previous administration because we did have a budget which was growing at four percent annually, and we did have the revenue to maintain the programs which the people of the state of Michigan have come to depend on and which they need so desperately.

After all of those tax cuts, the personal income tax, and the single business tax and the statements being made that we had cut taxes over 30 times here in Michigan, you would think our economy would have continued to boom. All of those tax cuts have not, obviously, made Michigan prosper. What they have made is a state government which has been cutting its budget and cutting vital services for the past five budget cycles.

I put before you that if we continue down that path of cutting, it’s not going to stimulate the economy any more than the first round of tax cuts stimulated the economy. What it’s going to do is continue to dig that giant hole which we discussed earlier in this debate. It’s going to continue to diminish the services. It’s going to continue to send our education system on a downward spiral.

Senate colleagues, I cannot in good conscience continue to dig that hole. I cannot in good conscience vote to send Michigan down that spiraling path to mediocrity. We need to fund the services in the state of Michigan. This tax plan once again takes a big bite out of that necessary revenue stream, and I urge a “no” vote on final passage.

Senator Whitmer’s statement is as follows:

We hear over and over and over again from businesses that what they care most about is having a well-trained workforce and an infrastructure to support their activity. In other words, businesses are willing to pay their fair share for roads, water, police, and fire services. What they are not willing to do is take on risk. And the further we go down the road of voting in so-called fixes which just leave holes in our budget, the more uncertain services become and the more volatile our tax structure becomes.

It took six weeks for us to finally see the Republican version of balancing the budget, and even though many would argue their plan from last month balances it on the backs of those who can least afford it in our state, their plan today just knocks it back out of whack without explaining what else you are going to cut in the state budget. Now it's becoming pretty clear that we are going to have a bigger problem to deal with to the tune \$200 or \$300 million less than what we initially expected. And still, you want an additional tax cut? Did Monday's proration letter do nothing to demonstrate the urgent manner of the crisis which we are facing? Schools, local communities, and health care providers are all still reeling to try to get their heads around the consequences of what those cuts will do to our state, and here you are blowing another \$400 million hole in the budget. This plan will cost the state \$400 million today, and it will cost local communities another \$800 million each year once this is fully phased in.

We're talking about funding for schools, for police and fire, and protecting the sick and the elderly. I hope my colleagues realize the long-term consequences of what this proposal does. It seals our fate of endless budget shortfalls, disinvestment in the things which make us great, and we owe it to our citizens to do better.

Some of my colleagues may be willing to sacrifice schools and safety to shift taxes away from business, but I most certainly am not. So I've got to tell you, never in my wildest dreams would I have imagined these words would pass my lips, but I'm with Rich Studley on this one. I'm with the State Chamber on this one. This is not the best plan. Seeing that this is the eighth substitute, I'd say that maybe it's the eighth-best plan.

Business in our state and those considering coming to our state need to know what our tax structure is. What they don't need is a bunch of posturing. Let's take up the Michigan business tax plan and let's get this done.

Senator Jacobs' statement is as follows:

I, too, rise in opposition to the bill and ask to speak to the package. I hope that some members have had a chance to review the Senate Fiscal Agency report on this bill. It says two things: This plan will only raise about \$1.43 billion, and it might not even raise that much in the future because of the way the rollback provision works.

Please let us compare this to what the SBT raised in the late 1980s and the late 1990s. Remember when things were good here in Michigan? Back then, the SBT raised about \$2.7 billion in current dollars. Those numbers come straight from the Citizens Research Council. That's almost double what the current bills would raise.

Now everyone in the state knows we are running a structural deficit. We are hearing every day from our mayors and our schools. They're hurting. They oppose these bills. And I'm dismayed that the response from this chamber will be tough or too bad or cut more or we are only trying to scare the public.

Now this bill shouldn't be called the BEST plan unless it's supposed to mean "Bills to Eliminate Schools and Teachers." A proration letter went out to Michigan schools on Monday, and here we are on Thursday running bills which we know—that we know—will cut teachers, cops, and support staff. This just doesn't make sense.

I'm not always against targeted tax cuts, but I'm certainly not willing to stop asking business to pay its fair share when our needs are so great. Perhaps one of my colleagues who is going to support this bill can tell me how to explain to my schools and my mayors what we are doing to them.

I, too, urge a "no" vote on final passage.

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

The motion prevailed.

Senator Cassis' statement is as follows:

As they say, the first step is the most important step in a long journey and we still have more steps to take. The most important and pressing challenge today is to restructure in a fundamental way to heal an ailing economy and bring back jobs and businesses to help, not a temporary Band-Aid fix to continue this malaise.

The Senate plan today before you is aimed specifically at long-term economic development. The Senate tax plan recognizes the all-important, historical manufacturing roots of our state. The Big 3 all will see reductions in their liability under this plan, made better than the previous single business tax. We also believe that this plan will forge a healthy future for our manufacturing sector, especially moving in the direction of high tech and the fact that all personal property taxes going forward will be eliminated.

I must say that all plans have parts that have merit. The Senate plan stands out, however, with its focus on economic growth, job creation, and the principles of fairness and equitability. Ninety percent of all businesses in our state are helped and especially those often overlooked that are the backbone of our economy and the major job providers in our communities all over the state. These are the small and medium-size businesses, many that have little or no personal property. We know them personally. They're members of Rotary, our local chambers, Kiwanis, and Lions Clubs. They are mom-and-pop stores of every single variety, our local grocery stores, our local clothing store like the one in Traverse City which our own Senator Allen has a very strong interest in, and our independent businesses, our restaurants like that owned by Senator Thomas, our corner drug stores, our local dry cleaner, hardware store, our neighboring bank, the barber or hair dresser we visit, the accountant we need or the lawyer we need to consult with, and architectural and engineering consulting firms—all of these will be benefited.

These are the excellent reasons to vote "yes" today and continue the process of reform and restructuring toward a healthy Michigan.

Senator George's statement is as follows:

I would like to explain why I will be voting for Senate Bill No. 94. For the past six years, I have heard from my businesses regarding our current single business tax structure, all the problems that they see in it—that it is complicated, that it taxes business growth and expansion with an addition of new employees, and the provision of benefits such as health care. I have heard from my businesses and we responded.

Then I heard from the naysayers. The naysayers said that our secret agenda was to get rid of the single business tax and not find a replacement. The naysayers said we didn't have the political will or the skill or the knowledge to come up with or to craft a replacement, and the naysayers are wrong.

With Senate Bill No. 94, we offer a plan to move Michigan forward. This single business tax replacement, the BEST plan, meets the three criteria that I set for my vote in supporting a business tax, and that is, that it be simpler and easier to calculate than the existing tax; that it stops punishing businesses for growth and for the addition of new employees; and importantly, that it stops punishing businesses for providing benefits such as health care.

This proposal meets those three criteria. It does all of those things, and it gets to the root cause of Michigan's economic woes, which is not a taxation deficit but job losses. This positions Michigan and Michigan's businesses for job growth. This puts us in a position to turn around our job losses, which are at the core of our economic problems.

So I will be proudly casting my vote in favor of Senate Bill No. 94.

The following bill was read a third time:

Senate Bill No. 95, entitled

A bill to provide for the imposition, levy, computation, collection, assessment, reporting, payment, and enforcement of an income tax on certain commercial, business, and financial activities; to prescribe the powers and duties of certain public officers and state departments; to provide for the inspection of certain taxpayer records; to provide for interest and penalties; to provide exemptions, credits, and refunds; to provide for the disposition of funds; and to provide for the interrelation of this act with other acts.

The question being on the passage of the bill,

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

Roll Call No. 87

Yeas—20

| | | | |
|----------|----------|---------|--------------|
| Allen | Cropsey | Jansen | Pappageorge |
| Birkholz | Garcia | Jelinek | Patterson |
| Bishop | George | Kahn | Richardville |
| Brown | Gilbert | Kuipers | Stamas |
| Cassis | Hardiman | McManus | Van Woerkom |

Nays—17

| | | | |
|----------|---------------|---------|-----------|
| Anderson | Clark-Coleman | Jacobs | Schauer |
| Barcia | Clarke | Olshove | Scott |
| Basham | Gleason | Prusi | Switalski |
| Brater | Hunter | Sanborn | Whitmer |
| Cherry | | | |

Excused—1

Thomas

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. 96, entitled

A bill to amend 1893 PA 206, entitled “The general property tax act,” (MCL 211.1 to 211.157) by adding section 9I.
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. 88

Yeas—20

| | | | |
|----------|----------|---------|--------------|
| Allen | Cropsey | Jansen | Pappageorge |
| Birkholz | Garcia | Jelinek | Patterson |
| Bishop | George | Kahn | Richardville |
| Brown | Gilbert | Kuipers | Stamas |
| Cassis | Hardiman | McManus | Van Woerkom |

Nays—17

| | | | |
|----------|---------------|---------|-----------|
| Anderson | Clark-Coleman | Jacobs | Schauer |
| Barcia | Clarke | Olshove | Scott |
| Basham | Gleason | Prusi | Switalski |
| Brater | Hunter | Sanborn | Whitmer |
| Cherry | | | |

Excused—1

Thomas

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. 70, entitled

A bill to amend 1976 PA 451, entitled “The revised school code,” by amending section 1531 (MCL 380.1531), as amended by 2006 PA 118.

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. 89

Yeas—37

| | | | |
|----------|---------------|-------------|--------------|
| Allen | Clark-Coleman | Jacobs | Prusi |
| Anderson | Clarke | Jansen | Richardville |
| Barcia | Cropsey | Jelinek | Sanborn |
| Basham | Garcia | Kahn | Schauer |
| Birkholz | George | Kuipers | Scott |
| Bishop | Gilbert | McManus | Stamas |
| Brater | Gleason | Olshove | Switalski |
| Brown | Hardiman | Pappageorge | Van Woerkom |
| Cassis | Hunter | Patterson | Whitmer |
| Cherry | | | |

Nays—0

Excused—1

Thomas

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. 403, entitled

A bill to amend 1976 PA 451, entitled “The revised school code,” by amending section 1278b (MCL 380.1278b), as amended by 2006 PA 623.

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. 90

Yeas—37

Allen
Anderson
Barcia
Basham
Birkholz
Bishop
Brater
Brown
Cassis
Cherry

Clark-Coleman
Clarke
Cropsey
Garcia
George
Gilbert
Gleason
Hardiman
Hunter

Jacobs
Jansen
Jelinek
Kahn
Kuipers
McManus
Olshove
Pappageorge
Patterson

Prusi
Richardville
Sanborn
Schauer
Scott
Stamas
Switalski
Van Woerkom
Whitmer

Nays—0

Excused—1

Thomas

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

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

The following message from the Governor was received and read:

May 2, 2007

I respectfully submit to the Senate, pursuant to Section 6 of Article 5 of the Michigan Constitution of 1963, the following appointment to office under Section 209 of the Michigan Liquor Control Code of 1998, 1998 PA 58, MCL 436.1209:

Michigan Liquor Control Commission

Mr. Donald B. Weatherspoon, an Independent, of 8942 East Saginaw, Haslett, Michigan 48480, county of Ingham, succeeding James M. Storey, whose term has expired, appointed for a term commencing May 5, 2007 and expiring June 12, 2010.

Sincerely,
Jennifer M. Granholm
Governor

The appointment was referred to the Committee on Government Operations and Reform.

General Orders

Senator Cropsey 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 Allen 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. 4327, entitled

A bill to repeal 1939 PA 113, entitled "An act relative to domestic or foreign grown tomatoes; and to prescribe penalties for the violation of the provisions of this act," (MCL 752.751 to 752.752).

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. 98, entitled

A bill to amend 1951 PA 51, entitled "An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts," by amending section 10 (MCL 247.660), as amended by 2006 PA 178.

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.

Resolutions

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

Senate Resolution No. 25

Senate Concurrent Resolution No. 5

The motion prevailed.

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

Senate Resolution No. 53

Senate Resolution No. 54

The resolution consent calendar was adopted.

Senators Patterson, Richardville, Birkholz, Olshove, Kuipers, Thomas, Prusi, Bishop and Brown offered the following resolution:

Senate Resolution No. 53.

A resolution proclaiming May 9, 2007, as 811/MISS DIG Awareness Day in the state of Michigan.

Whereas, 811 is a new, federally-mandated national “Call Before You Dig” number; and

Whereas, It was created to help protect people from unintentionally hitting underground utility lines such as natural gas, cable, telephone, etc., while undertaking digging projects; and

Whereas, Every digging job requires a call—from small projects like planting trees and shrubs, to larger residential ones such as installing mailbox posts, decks, and sprinkling systems. Large commercial projects such as road and sewer installations, building construction, and other large projects also require utility lines to be marked; and

Whereas, One phone call to 811 will start the process for getting underground utility lines marked for free. Beginning May 1, 2007, when you call 811 from anywhere in the country, calls will be routed to the correct local One Call Center. The local One Call Center will route the call to the proper utility companies which will then locate the approximate location of their utilities; and

Whereas, In Michigan, the One Call Center is MISS DIG, which has been serving residents and businesses for almost 37 years; and

Whereas, Since it began operations in November 1970, MISS DIG has taken almost 15 million calls for locating services, and MISS DIG has been a leader in One Call Center operations—having the first 24-hour center, the first to have a computerized system, the first to offer overhead electric line assistance, and the first to open a satellite center; and

Whereas, MISS DIG has almost 900 members, including utilities, municipalities, and others who value the services provided by MISS DIG’s 50 employees; and

Whereas, MISS DIG recently moved to a new state-of-the-art location in Auburn Hills and will celebrate this occasion and the launch of 811 at an open house on Wednesday, May 9, 2007; and

Whereas, MISS DIG is to be commended for its ongoing partnership with Michigan utilities and municipalities to educate the public about the need to call before digging and its ability to continue providing outstanding service; now, therefore, be it

Resolved by the Senate, That the members of this legislative body do hereby proclaim May 9, 2007, as 811/MISS DIG Awareness Day in the state of Michigan.

Senators Cassis, Gleason, Pappageorge and Switalski were named co-sponsors of the resolution.

Senators Pappageorge, Van Woerkom, Jansen, Garcia, Birkholz, Kahn and Allen offered the following resolution:

Senate Resolution No. 54.

A resolution honoring Michael Silver.

Whereas, Michael Silver has been a long time friend to the Michigan Department of Transportation, Michigan Aeronautics Commission, department staff, and customers. His volunteer contributions have been of immeasurable value to the department and commission; and

Whereas, Michael Silver has dedicated himself to elevating the awareness of aviation and aerospace among students, teachers, and community members by acting as a liaison between schools, units of government, corporations, and other organizations. He has tirelessly supported numerous schools and other groups with their planning of aviation and space education projects; and

Whereas, In 1997, Michael Silver was the recipient of the Michigan Aeronautics Commission’s Award of Excellence. The award is bestowed each year upon an individual whose deeds have led to significant contributions to aviation in Michigan; and

Whereas, For the past fourteen years, Michael Silver has acted as the volunteer resource coordinator to the annual Aviation/Aerospace Teacher Workshop hosted each year by the Michigan Department of Transportation. As result of his extraordinary efforts, teachers in Michigan have been given the knowledge and tools to use aviation and aerospace concepts in their classrooms as a means to motivate students; and

Whereas, His many endeavors have enriched the education of a generation of teachers and students from across Michigan. Additionally, these endeavors have directly supported the Michigan Aeronautics Commission's goal of fostering and promoting aviation; and

Whereas, Michael Silver retired from employment with the state of Michigan on October 31, 2006; now, therefore, be it

Resolved by the Senate, That on behalf of the citizens of Michigan, we hereby offer our most sincere and profound thanks to Michael Silver for his years of volunteer service in support of aviation education in Michigan. We join members of the Michigan Aeronautics Commission and Michigan Department of Transportation staff in wishing Michael and his wife Bari a happy, healthy, and productive retirement; and be it further

Resolved, That a copy of this resolution be transmitted to Michael Silver with our highest esteem. Senators Cassis, Gleason, Richardville and Switalski were named co-sponsors of the resolution.

Introduction and Referral of Bills

Senator Allen introduced

Senate Bill No. 471, entitled

A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," by amending section 521a (MCL 436.1521a), as added by 2006 PA 501.

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

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

The motion prevailed.

Senator Schauer's statement is as follows:

I rise to recognize a very dedicated employee of the Senate Democratic Caucus who is going to be leaving for an exciting new challenge. I introduce to you Supriya Reddy who has served on our caucus' staff for four years as an information specialist. One of her primary responsibilities has been updating and managing our caucus' website. She has done an outstanding job. We've been so blessed and fortunate to have such a quality person working for us, but she will be moving on to the Department of Information Technology where she will work on projects for the Department of Natural Resources.

Supriya will be missed for her diligent service not only to the caucus, but to the people of the Senate and this great state. So I ask you to join me in giving a very special thanks to Supriya Reddy for her years of service to the Michigan Senate.

Senators Anderson, Basham, Gleason, Clark-Coleman, Jacobs, Olshove, Clarke and Schauer introduced

Senate Bill No. 472, entitled

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending section 473 (MCL 750.473), as added by 1993 PA 140.

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

Senators Prusi, Allen, Barcia, Gleason, Basham, Birkholz, Patterson, Van Woerkom and McManus introduced

Senate Bill No. 473, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 40105 (MCL 324.40105), as added by 1995 PA 57.

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

Senators Cassis, Jelinek, Kuipers and Gilbert introduced

Senate Bill No. 474, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," by amending section 1147 (MCL 380.1147). The bill was read a first and second time by title and referred to the Committee on Education.

Senators Cassis, Jelinek, Kuipers and Gilbert introduced

Senate Bill No. 475, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending section 6 (MCL 388.1606), as amended by 2006 PA 342.

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

Senators Jansen, Pappageorge, Gilbert, Hardiman, Birkholz, Jacobs and Allen introduced

Senate Bill No. 476, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 5080 (MCL 600.5080), as added by 2000 PA 420.

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

Senators Jansen, Pappageorge, Gilbert, Hardiman, Birkholz, Jacobs and Allen introduced

Senate Bill No. 477, entitled

A bill to amend 1970 PA 91, entitled "Child custody act of 1970," by amending section 4 (MCL 722.24), as amended by 1998 PA 482.

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

Senators Jansen and Hardiman introduced

Senate Bill No. 478, entitled

A bill to provide for the imposition, levy, computation, collection, assessment, reporting, payment, and enforcement of taxes on certain commercial, business, and financial activities; to prescribe the powers and duties of public officers and state departments; to provide for the inspection of certain taxpayer records; to provide for interest and penalties; to provide exemptions, credits, and refunds; to provide for the disposition of funds; and to provide for the interrelation of this act with other acts.

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

Statements

Senators Scott and Richardville 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:

Earlier I made the announcement that K.P. Pelleran, Fight Crime, is just around the corner and she would like for all of the legislators to come around and see her, get your cup that is full of nuts, and take some pictures with her.

In an interview with the *Detroit Free Press* in 1973, former Detroit Mayor Coleman Young said, "I have struggled all my life for the kind of world where all people can live in dignity and reasonable comfort." Well, Coleman Young has been gone almost ten years, and sadly, his dreams of dignity and equality have not been fulfilled, at least not in the area of fair insurance rates for all people.

So I continue the struggle, appearing before you every day, appealing to your sense of fairness and integrity, and asking that you act on my bills so that people can indeed live in dignity and comfort. I only hope that it does not take my entire lifetime to bring his dreams to fruition.

Senator Richardville's statement is as follows:

I stand today to make a statement about the Children's Trust Fund and the Cherish the Children's auction which occurred earlier this week. I just want to commend both of the co-chairs representing the Senate and also thank the members because we had 100 percent participation from the members in this chamber. That night we set a record raising \$410,000 for abused and neglected children in the state of Michigan, and it's because of leadership from not only the members, but especially Senator Scott and Senator Birkholz who were the co-chairs on the main committee. I just want to thank them for their leadership and the members for their participation.

Committee Reports

The Committee on Judiciary reported

Senate Bill No. 105, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending sections 8511 and 8513 (MCL 600.8511 and 600.8513), section 8511 as amended by 1999 PA 75 and section 8513 as added by 1984 PA 278.

With the recommendation that the substitute (S-3) 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, Cropsey, Sanborn, Patterson, Whitmer, Clarke and Prusi

Nays: None

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

The Committee on Local, Urban and State Affairs reported

Senate Bill No. 298, entitled

A bill to amend 1836 PA 25, entitled "An act concerning the records of deeds and other conveyances of land," by amending section 1 (MCL 565.581).

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.

Gerald Van Woerkom
Chairperson

To Report Out:

Yeas: Senators Van Woerkom, Birkholz, Allen, Gleason and Basham

Nays: None

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

The Committee on Local, Urban and State Affairs reported

Senate Bill No. 299, entitled

A bill to amend 1937 PA 103, entitled "An act to prescribe certain conditions relative to the execution of instruments entitled to be recorded in the office of the register of deeds," by amending section 1 (MCL 565.201), as amended by 2002 PA 19.

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.

Gerald Van Woerkom
Chairperson

To Report Out:

Yeas: Senators Van Woerkom, Birkholz, Allen, Gleason and Basham

Nays: None

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

The Committee on Local, Urban and State Affairs reported

Senate Bill No. 300, entitled

A bill to amend 1867 PA 20, entitled "An act relative to recording deeds, mortgages and instruments of record, and to declare the effect thereof," by amending section 1 (MCL 565.491), as amended by 1992 PA 211.

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.

Gerald Van Woerkom
Chairperson

To Report Out:

Yeas: Senators Van Woerkom, Birkholz, Allen, Gleason and Basham

Nays: None

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

The Committee on Local, Urban and State Affairs reported

Senate Bill No. 301, entitled

A bill to amend 1873 PA 5, entitled "An act to provide for the recording of judgments in actions affecting or relating to the title of real estate," by amending section 1 (MCL 565.401).

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.

Gerald Van Woerkom
Chairperson

To Report Out:

Yeas: Senators Van Woerkom, Birkholz, Allen, Gleason and Basham

Nays: None

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

The Committee on Local, Urban and State Affairs reported

Senate Bill No. 302, entitled

A bill to amend 1915 PA 123, entitled "An act to provide for the recording and use in evidence of affidavits affecting real property; and to provide a penalty for the making of false affidavits," by amending section 2 (MCL 565.452).

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.

Gerald Van Woerkom
Chairperson

To Report Out:

Yeas: Senators Van Woerkom, Birkholz, Allen, Gleason and Basham

Nays: None

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

The Committee on Local, Urban and State Affairs reported

Senate Bill No. 303, entitled

A bill to amend 1875 PA 54, entitled "An act to facilitate the inspection and reproduction of the records and files in the offices of the registers of deeds," by amending section 1 (MCL 565.551), as amended by 1994 PA 51.

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.

Gerald Van Woerkom
Chairperson

To Report Out:

Yeas: Senators Van Woerkom, Birkholz, Allen, Gleason and Basham

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 Local, Urban and State Affairs submitted the following:

Meeting held on Tuesday, May 1, 2007, at 3:00 p.m., Room 110, Farnum Building

Present: Senators Van Woerkom (C), Birkholz, Allen, Gleason and Basham

The Committee on Economic Development and Regulatory Reform reported

House Bill No. 4322, entitled

A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," by amending section 513 (MCL 436.1513), as amended by 2004 PA 141.

With the recommendation that the bill pass.

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

Alan Sanborn
Chairperson

To Report Out:

Yeas: Senators Sanborn, Allen, Gilbert, Thomas, Hunter and Jacobs

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Economic Development and Regulatory Reform reported

Senate Bill No. 56, entitled

A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," (MCL 436.1101 to 436.2303) by adding section 545.

With the recommendation that the bill pass.

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

Alan Sanborn
Chairperson

To Report Out:

Yeas: Senators Sanborn, Richardville, Allen and Gilbert

Nays: Senators Hunter and Jacobs

The bill was referred to the Committee of the Whole.

The Committee on Economic Development and Regulatory Reform reported

Senate Bill No. 218, entitled

A bill to amend 1974 PA 198, entitled "An act to provide for the establishment of plant rehabilitation districts and industrial development districts in local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain facilities; to impose and provide for the disposition of an administrative fee; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of the state tax commission and certain officers of local governmental units; and to provide penalties," by amending section 9 (MCL 207.559), as amended by 2006 PA 436.

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.

Alan Sanborn
Chairperson

To Report Out:

Yeas: Senators Sanborn, Richardville, Allen, Thomas, Hunter and Jacobs

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 Economic Development and Regulatory Reform submitted the following:
Meeting held on Wednesday, May 2, 2007, at 1:00 p.m., Rooms 402 and 403, Capitol Building
Present: Senators Sanborn (C), Richardville, Allen, Gilbert, Thomas, Hunter and Jacobs

COMMITTEE ATTENDANCE REPORT

The Subcommittee on Judiciary and Corrections submitted the following:
Meeting held on Wednesday, May 2, 2007, at 3:40 p.m., Rooms 402 and 403, Capitol Building
Present: Senators Cropsy (C), Kahn and Brater

Scheduled Meetings

Appropriations -

Subcommittees -

Community Colleges - Friday, May 11, 9:00 a.m., Bay de Noc Community College, Joseph Heirman University Center, 2001 N. Lincoln Road, Escanaba; and Wednesday, May 16, 9:30 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-2768)

Community Health Department - Thursday, May 17, 2:00 p.m., Senate Hearing Room, Ground Floor, Boji Tower (373-2768)

Environmental Quality Department - Thursday, May 10, 1:00 p.m., and Tuesday, May 15, 4:00 p.m., Room 405, Capitol Building (373-2768)

Higher Education - Friday, May 11, 2:00 p.m., Michigan Technological University, Advanced Technology Development Center, 1402 East Sharon Avenue, Houghton (373-2768)

Judiciary and Corrections - Wednesdays, May 9 and May 16, 3:00 p.m., Rooms 402 and 403, Capitol Building (373-2768)

K-12, School Aid, Education - Tuesdays, May 8 and May 15, 2:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-2768)

Natural Resources Department - Tuesdays, May 8 and May 15, 12:00 noon, Room 405, Capitol Building (373-2768)

Banking and Financial Institutions - Wednesday, May 9, 9:00 a.m., Room 210, Farnum Building (373-3543)

Economic Development and Regulatory Reform - Wednesday, May 9, 1:00 p.m., Rooms 402 and 403, Capitol Building (373-7670)

Homeland Security and Emerging Technologies - Tuesday, May 8, 1:00 p.m., Room 100, Farnum Building (373-5932)

Natural Resources and Environmental Affairs - Wednesday, May 9, 1:00 p.m., Room 110, Farnum Building (373-3447)

Senator Cropsey moved that the Senate adjourn.
The motion prevailed, the time being 11:35 a.m.

The President, Lieutenant Governor Cherry, declared the Senate adjourned until Tuesday, May 8, 2007, at 10:00 a.m.

CAROL MOREY VIVENTI
Secretary of the Senate