

No. 75
STATE OF MICHIGAN
Journal of the Senate
96th Legislature
REGULAR SESSION OF 2012

Senate Chamber, Lansing, Tuesday, December 4, 2012.

10:00 a.m.

The Senate was called to order by the Assistant President pro tempore, Senator Geoffrey M. Hansen.

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

Anderson—present
Bieda—present
Booher—present
Brandenburg—present
Casperson—present
Caswell—present
Colbeck—present
Emmons—present
Gleason—present
Green—present
Gregory—present
Hansen—present
Hildenbrand—present

Hood—present
Hopgood—present
Hune—present
Hunter—present
Jansen—present
Johnson—present
Jones—present
Kahn—present
Kowall—present
Marleau—present
Meekhof—present
Moolenaar—present
Nofs—present

Pappageorge—present
Pavlov—present
Proos—present
Richardville—present
Robertson—present
Rocca—present
Schuitmaker—present
Smith—present
Walker—present
Warren—present
Whitmer—present
Young—present

Senator John M. Proos of the 21st District offered the following invocation:

Heavenly Father, we gather today with a thankful heart, knowing that it is You who has brought each of us to this chamber with Your guidance. We are bound to Your divine plan for each of us.

Lord, in Your holy gospel of Luke 10:21, You stated, "Filled with joy by the Holy Spirit, Jesus said, 'I bless You, Father, Lord of heaven and earth, for hiding these things from the learned and the clever and revealing them to mere children.'" Father, help each of us to enter into this Advent and Christmas season with the eyes of a child, open to Your wonders and willing to hear Your word as it guides us today and every day.

Father, we ask Your special blessing on the men and women serving overseas in our armed forces. We ask that You bestow Your grace and protection on each one of them and their families awaiting them here at home; for without their service, we would not be here today, humbly seeking to do Your will.

Please grant to each of us the eyes of a child, ready to hear Your message and to follow Your divine plan that You have written for each of us, Father.

In your heavenly name, we pray. Amen.

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

Motions and Communications

Senator Johnson entered the Senate Chamber.

Senator Bieda moved that Senators Hood and Young be temporarily excused from today's session. The motion prevailed.

Senator Meekhof moved that Senator Schuitmaker be temporarily excused from today's session. The motion prevailed.

Senator Meekhof moved that the Committee on Government Operations be discharged from further consideration of the following bills:

Senate Bill No. 970, entitled

A bill to amend 1964 PA 284, entitled "City income tax act," by amending section 3 of chapter 1 (MCL 141.503), as amended by 2011 PA 56.

House Bill No. 5688, entitled

A bill to provide for the creation of certain lighting authorities for the purpose of operating lighting systems; to provide for the powers and duties of the authorities; to provide for the conveyance of operational jurisdiction over certain operations to authorities; to provide for the assumption of certain contracts, bonds, notes, and other evidences of indebtedness and liabilities related to the provision of lighting authorities; to authorize expenditures from certain funds; to finance the acquisition of property and the development of certain public improvements or related facilities; to provide for the issuance of bonds and notes; to authorize certain investments; and to impose certain powers and duties upon state and local departments, agencies, and officers.

House Bill No. 5705, entitled

A bill to amend 1990 PA 100, entitled "City utility users tax act," by amending section 2 of chapter 1 and sections 2 and 3 of chapter 2 (MCL 141.1152, 141.1162, and 141.1163), section 2 of chapter 1 as amended by 2011 PA 57, and by adding sections 8a and 8b to chapter 1.

The motion prevailed, a majority of the members serving voting therefor, and the bills were placed on the order of General Orders.

Senator Meekhof moved that the rules be suspended and that the following bills, now on the order of General Orders, be placed on the General Orders calendar for consideration today:

Senate Bill No. 970

House Bill No. 5688

House Bill No. 5705

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

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

The following communication was received:
Public Service Commission

November 30, 2012

Enclosed is the second annual report on the operation and administration of the Michigan Intrastate Switched Toll Access Restructuring Mechanism (ARM), as required by Public Act 182 of 2009. Public Act 182 of 2009 amended Section 310 of the Michigan Telecommunications Act (MTA) to reform intrastate switched toll access charges for telecommunications providers in Michigan. The *Michigan Intrastate Switched Toll Access Restructuring Mechanism: 2nd Annual Administrative Report* is also available on the Commission's website at www.michigan.gov/mpsc. The report includes background, policy and operational information on the administration of the ARM.

The MTA, as amended by Public Act 182 of 2009, established the ARM as a 12-year transition fund through which eligible providers can recover a portion of the lost revenues associated with the reduced intrastate access rates. The ARM is supported by monthly contributions from all providers of retail intrastate telecommunications services in Michigan, including mobile wireless voice providers. Pursuant to the MTA, the revenues associated with Voice over Internet Protocol service are exempt from the ARM contribution calculation.

The ARM is administered by the Commission with the daily administration handled by the Access Restructuring Fund Administration Section within the Telecommunications Division. These administrative tasks include tracking all contributions to the ARM, processing disbursements from the ARM, monitoring the contribution percentage to ensure sufficient funding of the ARM, and reviewing the rates in filed intrastate switched access tariffs. As described in detail in the report, the amount collected for the second year of operation totaled \$20.6 million. The total amount disbursed to eligible providers for the first twelve months of disbursements was \$15,784,390.68. The report also includes information about the Commission's administrative costs, which are recovered through the ARM.

Finally, the report addresses the broader topic of intercarrier compensation reform, of which intrastate access reform is a component. The report summarizes the federal reform resulting from a Federal Communications Commission (FCC) order issued in late 2011. The Commission, through a comment proceeding, found that no changes to the basic operation of the ARM were necessary as a result of the FCC reforms. However, the federal reforms have been significantly changed the intercarrier compensation landscape, including intrastate switched access rates. Michigan's reform of intrastate access rates largely aligned with the FCC's reforms and the report explains in detail how intrastate access rates have been impacted both over the previous year and going forward.

The Commission continues to monitor and participate in ongoing federal proceedings that may affect the ARM and the Commission will apprise the Governor and Legislature of any developments that warrant legislative action related to the ARM.

Very truly yours,
John D. Quackenbush, Chairman
Orjiakor N. Isiogu, Commissioner
Greg R. White, Commissioner

The communication was referred to the Secretary for record.

The Secretary announced that the following House bills were received in the Senate and filed on Thursday, November 29:
House Bill Nos. 5261 5367 5881 5926 6011 6012

The Secretary announced that the following official bills were printed on Thursday, November 29, and are available at the legislative website:

**House Bill Nos. 6044 6045 6046 6047 6048 6049 6050 6051 6052 6053 6054 6055 6056 6057
6058 6059 6060 6061 6062 6063**

The Secretary announced that the following official bills and joint resolution were printed on Friday, November 30, and are available at the legislative website:

Senate Bill Nos. 1386 1387

House Bill Nos. 6064 6065 6066 6067 6068 6069 6070 6071 6072 6073 6074

House Joint Resolution CCC

Messages from the Governor

Senator Hood entered the Senate Chamber.

The President, Lieutenant Governor Calley, assumed the Chair.

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

Senate Bill No. 930

Senate Bill No. 754

Senate Bill No. 803

The motion prevailed.

The following messages from the Governor were received and read:

November 28, 2012

I respectfully submit to the Senate the following appointments to office:

Michigan Commission on Law Enforcement Standards

John F. Calabrese of 3232 Cliff's Drive, Petoskey, Michigan 49770, county of Emmet, representing the Michigan Association of Chiefs of Police, succeeding Kurt R. Jones, is appointed for a term expiring November 1, 2016.

Kenneth Grabowski of 18935 Mayfield, Livonia, Michigan 48152, county of Wayne, representing the Michigan Police Officers Association of Michigan, succeeding James W. DeVries, is appointed for a term expiring November 1, 2016.

Jerry L. Clayton of 147 Carriage Way, Ypsilanti, Michigan 48197, county of Washtenaw, representing the Michigan Sheriffs' Association, succeeding Robert J. Pickell, is appointed for a term expiring November 1, 2016.

Leo Mioduszewski of 5115 E. Valley Road, Mount Pleasant, Michigan 48858, county of Isabella, representing the Michigan Sheriffs' Association, succeeding Gene L. Wriggelsworth, is appointed for a term expiring November 1, 2016.

Donald C. Mawer of 240 W. Genesee Street, Frankenmuth, Michigan 48734, county of Saginaw, representing the Michigan Association of Chiefs of Police, succeeding Richard Mattice, is appointed for a term expiring November 1, 2013.

November 28, 2012

I respectfully submit to the Senate the following appointments to office:

Michigan Board of Psychology

Sara L. Van Wormer of 219 E. Marshall Street, Ferndale, Michigan 48220, county of Oakland, representing professionals, succeeding Robert Hack, is appointed for a term commencing January 1, 2013 and expiring December 31, 2016.

Martin J. Waalkes of 7436 Ventura Drive, S.E., Grand Rapids, Michigan 49546, county of Kent, representing professionals, succeeding Dane Ver Merris, is appointed for a term commencing January 1, 2013 and expiring December 31, 2016.

November 28, 2012

I respectfully submit to the Senate the following appointment to office:

State Boundary Commission

David J. Doyle of 3776 Meridian Road, Okemos, Michigan 48864, county of Ingham, succeeding Cameron G. Priebe, is appointed for a term expiring November 15, 2015.

November 29, 2012

I respectfully submit to the Senate the following appointments to office:

Western Michigan University Board of Control

Michelle Crumm of 1381 Bicentennial Parkway, Ann Arbor, Michigan 48108, county of Washtenaw, succeeding Larry Tolbert, is appointed for a term commencing January 1, 2013 and expiring December 31, 2020.

Ronald E. Hall of 146 Keelson Drive, Detroit, Michigan 48215, county of Wayne, succeeding Dennis Archer, is appointed for a term commencing January 1, 2013 and expiring December 31, 2020.

November 30, 2012

I respectfully submit to the Senate the following appointment to office:

Michigan Board of Nursing

Elaine A. Leigh of 15306 Forest Park Drive, Grand Haven, Michigan 49417, county of Ottawa, representing professional registered nurses with a baccalaureate degree engaged in nursing practice or nursing administration, succeeding Amy M. Perry, is appointed for a term expiring June 30, 2013.

November 30, 2012

I respectfully submit to the Senate the following appointments to office:

Michigan Board of Respiratory Care

Jeremy S. Bainbridge of 6220 Patagonia Drive, S.E., Grand Rapids, Michigan 49503, county of Kent, representing respiratory therapists, succeeding Randall Kehr, is appointed for a term commencing January 1, 2013 and expiring December 31, 2016.

Helene M. Wiltse of 4515 Meadowbrook Drive, Freeland, Michigan 48623, county of Saginaw, representing the general public, succeeding Ilene Hartman-Abramson, is appointed for a term commencing January 1, 2013 and expiring December 31, 2016.

Sincerely,
Rick Snyder
Governor

The appointments were referred to the Committee on Government Operations.

The following message from the Governor was received:

November 28, 2012

Attached is a copy of my Special Message on Ensuring our Future: Energy and the Environment to the Regular Session of the 96th Michigan Legislature. This message transmitting information on the affairs of state and recommending measures I consider necessary and desirable is presented to the Michigan Senate pursuant to Section 17 of Article V of the Michigan Constitution of 1963.

Sincerely,
Rick Snyder
Governor

The special message is as follows:

November 28, 2012

I. Introduction

In Michigan, we care about energy and the environment because we care about our kids and their future. These areas don't lend themselves to "quick fixes." It takes a long time to see the effect of the choices we make. But the rewards of the right decisions are tremendous, as we know when we expand a Michigan business or play in our Great Lakes. We must ensure Michigan has the energy our kids need to thrive. We must ensure Michigan will be Pure Michigan for years to come – a place our kids will want to live, work and play.

How do we know what the right decisions are? The hard part is that we don't know exactly what our future will hold and what challenges to our energy and environmental futures we will face. But that is no excuse for standing still or failing to be proactive. What we need to do is identify those actions or decisions that are **adaptable**. These are solutions that are good for Michigan, not just in one possible future, but in many possible futures. We have a lot of opportunities to take action today – action that is "no-regrets" even if things turn out differently than we predict.

II. Energy

Adaptability has to be the foundation of every energy decision we make. Building on that foundation of adaptability, there are three pillars that every decision must stand on: excellent reliability, an affordable price and a protected environment.

First, we need to make sure that our energy supplies are reliable. We all depend on having the power stay on whether at home, at work or on the road. We saw just how vital power is to our lives while watching the aftermath of Hurricane Sandy. Our hearts went out to people trying to live without it for days. We remember 2003, when the electrical grid went down and Michigan residents suffered from a widespread blackout affecting the eastern United States. Our reliability challenge has only grown since then. We must take action to ensure this is an area of strength for all of Michigan today and in the future.

Second, our energy needs to come at an affordable price to our businesses and homes. Our prices are near the national average, but most states have lower prices. In fact, Michigan's electricity prices are the highest in the Midwest. That's actually normal for Michigan, because our neighbors have more coal resources than we do and existing coal plants are hard to beat on cost. But of more concern is the fact that Michigan's energy prices have been on a fast rise over the last few years.

When Michigan revised its energy law in 2008, we didn't realize we were on the cusp of a major economic downturn. That meant fewer factories were running machines, and fewer people were flipping light switches on. We lost about 10 percent of our electric power demand, and the remaining 90 percent had to shoulder additional costs. Then Environmental Protection Agency (EPA) rules about coal plants started kicking in, requiring our utilities to spend about \$3 billion so far on new environmental controls to keep key coal plants running and to shut others down. That happened at the same time we were doing the smart thing and diversifying into renewable energy. That meant we were building nearly 10 percent new supply in renewable energy on one hand while losing 10 percent of our demand on the other hand. You can't do all those things in four short years and not have rates go up.

That's been very hard on our most vulnerable households, which spend about a quarter of their income on energy. Higher prices have also been hard on Michigan businesses that compete with companies in neighboring states. Affordability is critical for all of Michigan.

Third, we must make sure our energy choices always recognize our responsibility to protect Michigan's environment. Michigan's natural gas production has never once had an incident where groundwater was polluted from hydraulic fracturing, even though we've been doing it for decades. That's in part because Michigan has strict regulations on drilling and wastewater management. Those regulations have been no-regrets decisions. We have many successful companies that have safely produced oil and natural gas in Michigan, while protecting Michigan's waters. That's a great example of how Michigan has made protecting the environment a key part of our energy decisions in the past, and why it must be one of the pillars on which we make our decisions in the future.

Efficiency

These pillars will be used to guide our energy decisions – and a great example is energy efficiency. Energy efficiency doesn't mean doing less; it means doing as much or more but using less energy to get it done. Energy efficiency is the best example of a no-regrets policy Michigan can have. It makes us more reliable, more affordable and protects our environment.

The biggest threats to our electric reliability usually come on the hottest days of the summer, when we are all turning up the air conditioning at work and home. Because of that demand, those are the most expensive days to buy power, and that means power companies have to maintain plants we rarely need. And when we turn everything on, that is when we are burdening our environment the most.

How do we make Michigan even more energy efficient?

First, we can give people the tools they need to take advantage of lower power bills through efficiency. One way to do that is to make sure private dollars are available. We've already got a great public-private partnership that is successful at reinventing energy efficiency in Michigan: Michigan Saves. This partnership, which was seeded with public funds, works with private lenders throughout the state to provide affordable financing to help homes and businesses save energy and money. Since October 2010, more than 1,700 Michiganders have used those funds to improve their homes and have saved about \$350 per year in energy costs. They've used local contractors to do the work, so they have supported local jobs. There's good news for lenders too: a default rate that is almost 30 times lower than similar consumer loans. This year, private financial institutions across the state will make more than \$68 million available for efficiency improvements in buildings. That's great news but that number needs to grow. Michigan Saves is expanding its program to businesses like small grocers and convenience stores. It is exciting to see this public-private partnership grow, and I look forward to seeing them meet their goal of \$150 million of investment in 2017.

There is another way we can empower the private sector and Michigan homeowners. When people are looking at buying a home, they receive an inspection report, telling them about the plumbing, the roof, and many things about the house that aren't visible to the naked eye. What they don't know is whether the house is energy efficient. Legislation that would add energy efficiency information to those reports is needed, and I encourage the Legislature to act on a bill in the new year.

There are other things we can do to enhance energy efficiency in Michigan. I have asked the Michigan Public Service Commission (PSC) to reinvent our existing energy efficiency programs to reduce paperwork and costs while increasing actual improvements. Already, the PSC has found ways to allow collaboration between smaller municipal utilities and cooperatives, which saves even more money.

This coming year, the PSC will look at how we can implement "geo-targeting." That means making smarter energy investments - spending on energy efficiency instead of new infrastructure in areas with reliability problems caused by high local demand. There are some great examples of possible places where this can be deployed – places like Ferndale in southeast Michigan, where increasing demand has been straining the existing substations but it's hard to find a place to put another one. And this week, the PSC will release its report on energy efficiency, noting a number of existing ways these efforts are lowering our bills and recommendations of how we can do more.

Four state agencies currently manage weatherization programs of one kind or another. Today I am directing the PSC, the Michigan Economic Development Corporation's (MEDC) Energy Office, the Department Human Services, and the Michigan State Housing Development Authority to work together and coordinate their know-how and efforts so the state can do some geo-targeting of its own.

In addition, we need to reinvent the delivery of low-income heating to focus on moving people toward self-sufficiency. That will mean reforms in the way the state and its non-profit partners deliver low-income heating assistance. I applaud the Senate for passing legislation that reforms the funding and delivery of these services. I urge the House to join this bipartisan effort by passing this package.

There are things that the state can do to be more efficient in its own energy use. The Department of Natural Resources (DNR) has already implemented a number of energy efficiency measures in our state parks, meaning it is spending more on our parks and less on power. In our state buildings, we have reduced our energy use by nearly 25 percent in the last 10 years, and we continue to invest in energy efficiency upgrades. Now it is time to look at whether we need to set new goals, and what they should be. I am directing the MEDC's Energy Office, the PSC, and the Department of Technology Management and Budget (DTMB) to partner on a benchmarking study of state buildings – comparing them to other states and private buildings. This study will also identify best practices so we document what is effective. In addition, we will offer local governments, schools and others assistance in identifying tools to help them achieve savings through energy efficiency contracting.

Production

Michigan is known for its innovation in many industries, but we don't talk often enough about Michigan's leadership in the energy field. MichCon literally invented the natural gas storage industry, and our state remains the indisputable national leader. That's a key advantage that Michigan needs to promote and grow. Michigan produces natural gas. It has a lot of places where natural gas can be stored. And it has pipelines built to help move that natural gas. That's a great advantage and an opportunity for the state of Michigan to do a little of its own economic gardening.

I have asked the DNR and PSC to work together to see if we can partner with private industry to develop a Strategic Natural Gas Reserve for Michigan. It's a simple concept – the state of Michigan owns many natural gas deposits. When a private company brings those into production, the state can either take its share in money or in natural gas. Until now, we have chosen to take the money. But if the state owns gas, and the state owns storage, it could make sense for us to store that gas and sell it later, when we could get a better price. We will look for private companies to partner with us in developing storage. By waiting to sell that gas on the private market to a Michigan company, we could create good news for both ratepayers and taxpayers, since long-term contracts can help keep winter heating prices down while ensuring Michigan gets a better return on its resources.

Any changes that we make will be built upon the legacy of innovation already present in Michigan's energy sector. For years, experts thought some of our old oil wells had reached the end of their lives, unable to produce any more. But it turns out that if you can get enough pure carbon dioxide into those wells, these wells can be productive again, and the carbon dioxide stays below the ground. A multi-generational family company in Michigan has successfully brought this new, exciting technology to our state. Bob Mannes, the head of Core Energy LLC, figured out that the carbon dioxide emissions from a local ammonia plant could be used to produce oil in Michigan. The experiment has been a success and is a great example of a win-win for the environment and the economy of Michigan.

We need to do more to make sure this industry, which is a great example of economic gardening, can grow in Michigan. To do that, I am asking the Legislature to enact a law that will grant carbon dioxide pipelines the same legal standing as other pipelines in Michigan to make sure our state laws are ready for this new industry.

Transmission Infrastructure

How else can Michigan adapt to any and all possible energy futures? We can make sure we have the ability to get the power where we need it, when we need it, at a superior level of reliability and at reasonable cost.

Michigan's electrical "superhighways" – its transmission system – are a tale of two peninsulas. In the Lower Peninsula, the reliability of our electrical superhighway is excellent. It's a tremendous asset, and we need to make sure our businesses and citizens understand the value of reliability. But in the Upper Peninsula, it's very different. There, we have nearly 12 "yellow alerts" a year – meaning that all it takes is for one more thing to go wrong and everybody's power could be out for days.

What does that mean for daily life? Whether it is a business engaged in just-in-time manufacturing, a data center providing computing services, a hospital with sensitive equipment, or a homeowner with insulin in the fridge, reliability is vital and valuable. You can't grow economically, or even hold your own, if the power isn't there reliably.

This has to change, and change in a way that is protective of our environment and of our wallets. The first step is to get enough backup transmission in place so that we can end all yellow alerts. The Midwest Interconnection System Operator (MISO), which runs our region's electrical highway system, recently fast-tracked approval of some lines that will address this reliability problem. Our state agencies have already pledged to help speed up siting and construction of those projects in an environmentally sensitive way.

The next step is making sure we have a major generating source in the UP, so we aren't entirely dependent on long transmission lines for power. Two utilities are leading the way on this front. I am thrilled to announce that this week, Wolverine Electric Cooperative and We Energies finalized a new venture that will install hundreds of millions of dollars of new pollution prevention equipment and keep the Presque Isle Power Plant in Marquette operating. Because of this deal, Michigan has a key building block in place to ensure the reliability and power supply we need. We will also retain a key contributor to the UP's tax base and 170 Michigan jobs. Moreover, We Energies' customers in Michigan and Wisconsin who were facing increases in costs to solve this problem will pay less, not more, to fix this problem.

Wolverine Power Cooperative and We Energies deserve to be commended for bringing this deal to fruition. In particular, Wolverine is increasing its commitment to Michigan's economic future, and it is making the right decision.

Those steps get us to where we need to be today. But they won't get us to where we need to be for Michigan 3.0 – a future that includes new data centers, new mining operations, new industries, and above all, more and better jobs. For that, we need to do something about the high power prices that Michiganders in the UP and northern Lower Peninsula pay. We need to make sure that new sources of power – whether they are natural gas, wind, or biomass – have a superhighway that can get their power to the places that need it.

To do this, we need to explore connecting Michigan's peninsulas electrically. Right now, there is a small electrical connection, and we have had to spend money making sure the peninsulas don't short each other out. We need a robust connection that gives us the potential to reduce the cost of moving power around in both places and creates opportunities to improve supply as well.

That is why I am encouraged by the recent actions of MISO. It is studying the costs and benefits of a strong interconnection. It is also looking at whether Michigan should partner with other states and provinces as part of a larger solution.

Clearly we need a supply of reliable power and the ability to move power wherever it is needed throughout all of Michigan. I will continue to encourage MISO to recognize the unique needs of its largest customer – Michigan – with its two peninsulas.

We also need the ability to efficiently and safely move natural gas. Right now, there is a proposal before the Federal Energy Regulatory Commission to abandon a pipeline that supplies one-third of Michigan's natural gas. I have opposed that, as have many legislators, the PSC, MISO, and Consumers Energy. We will continue to fight any proposal that limits Michigan's energy future and are hopeful that in the near future, we can find a cooperative solution that will ensure Michigan's gas supply reliability. I am committed to ensuring that Michigan can take advantage of the reliability, affordability and environmental and economic benefits of natural gas, and that the rest of the country can benefit from our resources in that area as well.

Comprehensive Strategy

There is one more key ingredient to Michigan's energy future, and that's being part of a nation with a consistent plan. We want to work with our federal government and make sure that Michigan's plans for the future fit with where the country is going. Unfortunately, what we face now is a hodgepodge of conflicting policies. Here are just a few examples:

- **Nuclear energy.** The federal government started out doing the right thing: building a long-term solution for nuclear waste. Many Michiganders have already paid money in their utility bills to help get Yucca Mountain's repository built. But then the federal government switched courses and abandoned those plans, requiring us to store waste near the Great Lakes. While such storage doesn't pose imminent threats, no one would say that the Great Lakes shoreline is a better place for nuclear waste than the Nevada desert. We badly need a national, thoughtful approach to this issue.
- **Electrical reliability.** The federal government has done the right thing by encouraging regional cooperation in operating our electrical grid and setting good standards for reliability. But now MISO has warned that the timeline of the EPA rules for coal plants create some real risks to our reliability – meaning that massive outages become more likely. I know people disagree about the new EPA rules for coal plants, but I think we can all agree it's not in the best interest of the environment or the country to risk massive outages to get there at a breakneck pace. We need the federal government, through cooperation between its own agencies, to broker a solution to this problem. We stand ready to do our part in that effort.
- **Natural gas.** A recent presidential order recognized the benefits of natural gas as a reliable, affordable, clean and domestic part of our energy future. The President got this right and we need him to follow through. We need timelines that will let us look seriously at transitioning existing plants to this fuel, a commitment to pipeline infrastructure and a stable, environmentally protective set of regulations that allow companies to create a business plan built around new natural gas supplies. Michigan has done what it can in leading the way on this issue. We will do whatever we can to help our federal partners develop and implement a consistent strategy in short order.
- **Energy independence for our most vulnerable.** Michigan receives federal funds to help vulnerable citizens when they can't afford their heat. This has allowed many Michigan families to stay in their homes and keep their kids in school in the winter. The federal government also subsidizes housing for some of these families. Unfortunately, there are some addresses in Michigan where family after family can't afford their heat. But under existing federal rules, the state can't say to a landlord that it won't keep subsidizing families' rent unless something is done to improve the insulation or other conditions that are causing families to need heating assistance. I encourage our federal agencies, partnering together, to enact the common sense reforms that we need.

Just like Michigan, the federal government needs an energy plan that is focused on adaptability, reliability, affordability and environmental protection. There is a lot we can do to put no-regrets policies into place in this country and state and Michigan is eager to do its part. During this campaign, President Obama pledged to take an "all of the above" approach to energy policy. That is heartening, because I believe it shows he already places high value on adaptability. I am hopeful that reliability, affordability, and environmental protection will also be incorporated as guiding principles into federal energy policy.

Until we see more of what the nation's energy policy will be, and what the effects are on Michigan, it would be a mistake to again change our energy framework. In 2015, we will be in a better position to know what effects federal policies are having on our reliability and on the markets for electricity. We will have reached our 10 percent goal for renewable energy, and will have well-established efficiency programs, so we will be in a good position to set higher goals in both these areas. We will need solid information about the effects of our policies and the energy marketplace to make good decisions. This coming year, I will invite the Legislature and Michigan citizens to tell me what information we will need to fairly evaluate our energy policies, and we will embark on an effort to collect and analyze those facts. Then, by 2015, we will all be able to implement new decisions about our energy framework that will enhance Michigan's adaptability, reliability, affordability and environment.

III. Environment

In the earliest days of statehood, Michiganders chose to extol the beauty of Michigan's peninsulas in its official motto – "Si quaeris peninsulam amoenam circumspice" (If you seek a pleasant peninsula, look about you). One hundred and seventy five years later, we're saying the same thing – only this time, not in Latin. Our Pure Michigan campaign is telling people about the beauty of Michigan, and it is working. It is working because we have a great story to tell about the good work we have done to keep the air, water and land in Michigan clean and beautiful.

Whether sledding in a neighborhood park, walking along a shore or riverbank, cross-country skiing through a forest, or sitting on a beach, in every season we can experience the reasons we love living here. Those are the reasons our kids and their kids will love living here, too. We need to think strategically about how to make sure those opportunities continue and grow.

Ecosystem Approach

In the past, we approached environmental protection in a reactive and relatively piecemeal fashion. While we have enjoyed some great results in a collection of public parks, forests, beaches and recreation areas, these assets do not necessarily work together ecologically and economically.

For instance, we have an extensive forest system that covers nearly 4 million acres, more than 10 percent of the state. That is not because we sat down and decided we needed a 4 million-acre system or where those forests would be. Instead, land that wasn't good for farming and had already been logged kept churning through our tax foreclosure system. We stopped that fruitless cycling by creating a state forest system. However, it is unclear if this collection of state owned lands is providing for the many collective values that Michiganders hope to receive: camping, hiking, hunting, fishing, sense of place, timber harvesting, forest products and biodiversity.

Other state resources, including some of our parks and recreation areas, came about with a similar lack of an overall vision – we've protected a beautiful place here, or a particular river or lake there, but we've never stepped back and tried to think holistically about what we do own, what we should own, where and most of all, why.

Science, and decades of data, can now help us look at things using an ecosystem approach. That means looking at all the functions and services our ecosystems provide to nature and people, like support of the great diversity of plants and animals, shade and cooling, purification of water and air, flood reduction, food, fiber and fuel, and providing us wondrous areas for recreation, to name a few. It means thinking about what services we will want from our environment now and well into the future. It means using data and knowledge to guide our decisions about investment in our state's ecological and natural assets. These systems form the basis of life and the basis of the quality of life that has defined us and the state since the beginning.

Land Management

An ecosystem approach guided the work of the State Parks and Outdoor Recreation Blue Ribbon Panel, and is guiding the work of the DNR.

The Blue Ribbon Panel, which recently completed an excellent report with recommendations regarding the future of Michigan's parks and outdoor recreation, recognized that our parks are regional economic drivers, protect unique ecological resources, improve our health and well-being and help define the Michigan experience. I am excited about many of their recommendations, which include the need to connect trails and integrate green infrastructure in our urban areas.

The DNR is taking a similar approach when looking at our public lands. There are a number of things we need from our public lands. We need rich outdoor recreation and tourism opportunities. We need the tangible products they provide as well: wood from Michigan trees to build and repair our homes; Michigan minerals that build the cars we drive and the wires that deliver our power; oil and gas that get us to work and keep us warm. In short, we need a land management strategy that protects the character and productive capacity of Michigan's wide array of natural resource assets for future generations. We are reinventing our planning process by being more strategic about what we own, and why we own it. We need to continue to protect the truly unique places that provide habitat or other natural resources that make them irreplaceable. We need to make sure the high-value recreational experiences that we have will be available and attractive now and in the future. We need to have an opportunity to enhance those when appropriate. But most of all, we need a strategy for making sure we aren't hampered in these goals by responsibilities for other land that doesn't advance any particular purpose. We must be willing to rebalance our land portfolio – to acquire lands that meet these goals and to get rid of lands that don't fit within our strategy.

Having this kind of strategic plan in place will also tell us what kind of long-term sustainable funding we need. We will know if a lack of recreation in a certain area is because we don't have the right space for it, or because we have underinvested in the places we do own.

We must have a complementary strategy for timber resources. The timber industry is an economic asset to our state, especially in rural communities, contributing \$14 billion annually to the state's economy and directly employing 26,000 citizens. Whether it is furniture making, timber for homes, paper mills, biomass facilities, or a combination of those using different parts of the resource, the state has an opportunity to provide for responsible growth. As it undertakes the planning efforts described above, I am directing the DNR – working with the Timber Advisory Council, MEDC and the Michigan departments of Agriculture and Rural Development (MDARD) and Transportation (MDOT) – to prepare a business plan for the future of the state's timber industry. The plan will identify and prioritize opportunities for growing this important part of our economy. As part of this effort, I am also directing DNR to convene a Timber Industry Summit in April 2013.

While putting these strategies in place is key, there are also actions we know we won't regret under any plan, and we need to take those now.

Trails

Michigan has more total trail miles than just about any other state. Much of the credit goes to volunteers who have shoveled, raked, trimmed and groomed these trails on their own time and often at their own expense. This shows the real appetite Michiganders have for quality trails, and points to the opportunity we have to be the number one trail state.

We can reach that goal much faster together. I am directing the DNR, Michigan Snowmobile and Trail Advisory Committee, Michigan Natural Resources Trust Fund, the MEDC, the MDARD and the MDOT to align and prioritize their

efforts to support and create trail connections. All these entities will reach out to local communities as partners, helping them to maximize the economic return from trail use. We can and will seek to make Michigan *the* Trail State.

As the Trail State, we will need a showcase trail that celebrates these efforts and pulls together private and public trails into a signature Pure Michigan experience. With the addition of approximately 200 miles of additional trails in the Lower Peninsula and the UP, we could hike or bike from Belle Isle to the Wisconsin border. Today, I am directing DNR to focus on connecting those trails, through cooperation with private and non-profit partners and the use of their own resources.

Rural Development Fund/Severance Tax

There is real economic development potential from mining expansion in the UP. We need to make sure that these short-term economic gains help us build a solid foundation for long-term business growth. To that end, I have proposed a Rural Development Fund, which we will create while reforming a confusing and outdated mining tax structure.

Michigan's taxes need to be simple, fair and efficient. The current tax system on non-ferrous metals is none of these. Our system requires the state geologist to guess what the value of the ore will be over the entire life of the mine, and turn that into a property value. That's a tax system that is complicated, uncertain and burdensome. Instead, we should switch to a severance tax, which means we can stop trying to guess what the ore might be worth and instead get a share of what the ore really is worth.

We will take that money and make sure we are reinvesting it in infrastructure for our rural areas, so we will have the foundation for economic growth in place after the mine is gone. I ask the Legislature to enact a severance tax and create the Rural Development Fund. That will let us welcome more commerce today, and lay the foundation for our rural communities to flourish tomorrow.

Natural Resources Trust Fund

Third, we need our Natural Resources Trust Fund to better work with our communities to realize their visions for Pure Michigan and align with local visions. We can take the first step today. I am directing the DNR to require a resolution of support from local government before funding any project from the Michigan Natural Resources Trust Fund.

I believe this step will help enhance the admirable work of the Natural Resources Trust Fund. Since 1976, the Trust Fund has made significant investments in both the protection of Michigan's special places and in the development of important recreational assets in our state. Nearly \$1 billion has been invested, with projects in every county in Michigan. By investing \$435 million in local grants and \$492 million in state grants, some 199,552 acres of land has been permanently protected. We have created places that will keep and attract the next generation of Michiganders. Because of the wisdom of those who created the Trust Fund 36 years ago, it will continue its contribution to the reinvention of Michigan, creating access to the places that matter in the 21st century.

Better Planning for Natural Disasters

Fourth, natural disasters can have a significant impact on local communities and state resources. The state must have the capacity to respond to these emergencies and ensure that communities receive assistance quickly. To address this need, I am calling on the Legislature to create a Disaster and Emergency Contingency Fund. This fund would enable rapid emergency response in the protection of both state resources and private property in the event of a major natural disaster like the forest fire that recently occurred near Duck Lake in Luce County. This fund will be part of my upcoming budget plan in February, and I urge the Legislature to enact this needed change.

Urban Public Lands

For too long Michigan has thought about public lands as if those words were just another way to say "up north." They aren't. We must not ignore the other side of the coin – our urban public lands.

Just like it did in the early part of the last century, Michigan is again seeing a huge property churn based on repeated tax foreclosures. This time, though, it's in our urban areas. Our communities are falling prey to speculators who allow blighted properties to destroy the investments of neighbors who love their communities and care for their homes. Our system for getting these properties back into the hands of responsible owners – a system that we set up in 1917 – is doing the opposite. And various governments are ending up holding a lot of land they don't have a clear plan for and don't have the resources to maintain.

We can't let that continue. There are several legislative efforts underway to reform aspects of that 1917 property tax act, and I am eager to make them law. Those efforts should begin by banning tax evaders and slum lords from acquiring more property for pennies on the dollar at our foreclosure auctions, as called for in my Special Message to the Legislature on Public Safety. But that is only a starting place. Our antiquated laws dealing with blight and foreclosures are in need of serious reinvention. There are a number of good bills pending in the Legislature now to reduce blight, and I will be proposing additional measures for consideration in January. I pledge to work with the Legislature on these important reforms.

Similarly, there is another law that is being applied to circumstances we never foresaw – our Right to Farm Act. I will vigorously defend Michigan's vital agricultural interests from encroachments of all kinds. That was good policy in 1981, and it's good policy now. But Michigan's firm defense of that policy has meant that our biggest cities – where no one ever expected there would be enough land to have anything bigger than a kitchen garden – now fear they need to ban agriculture altogether, or risk allowing animal facilities in their city. We need to find a solution to the concerns of both sides. I know that for years, the MDARD has worked with urban communities, agriculture interests and others to understand the problem and develop options. That work is done. We understand the issues. We understand the options. It's time to move forward. 2013 needs to be the year we implement a solution.

Common Urban and Rural Public Land Issues

Our rural and urban areas have more in common than we may recognize. In fact, in many cases, they need the same solutions.

In our urban areas, a single street may have lots owned by the city, county and state. That creates a lot of confusion for people who just want to buy the lot next door, or for those who want to consolidate several parcels for economic development or recreational opportunities. Similarly, in our rural areas, the federal and state governments own a patchwork of properties, making it harder to connect trails, manage wildlife habitat or create a sensible timber harvest plan. I have directed the state Treasurer to lead an effort to work with governments at all levels to facilitate property swaps or joint management agreements. We need to consolidate public ownership so that our federal, state, county and local governments do not just create a plan, but execute it.

Second, both types of areas need the capacity and the resources to be better stewards. In the urban case, we assume we can fund maintenance like grass mowing and demolition of blight with property sales. That model is not working today, and it has left the state in the position of being a bad neighbor. In the rural case, we have often underfunded certain resources, in part because we may be trying to take care of too much land in some places and not enough in others. In both cases we need to fix that, and these priorities will be reflected in my next two budgets. I ask the Legislature to support these priorities and work with me to make sure that when we own property, we fulfill our obligations.

Brownfields

Of course, we can't forget the other tools we have to rebuild and reinvent Michigan's land policy. One of the most important issues for our reinvention is brownfield redevelopment. Some have claimed that the loss of a single brownfield tax credit means Michigan isn't focused on redeveloping brownfields anymore. Nothing could be further from the truth.

First, we are looking at programs with a long record of success and making sure that success can continue and grow. The proposed amendments to the Brownfield Redevelopment Financing Act would allow the Michigan Strategic Fund and the DEQ to receive between \$1.5 million and \$4 million annually to provide funding for new brownfield redevelopment projects. I ask the Legislature to enact those changes quickly.

Similarly, the state is still committed to supporting brownfield revitalization as part of its reinvention. My budget for FY '14 will also continue to invest \$25 million into the MEDC's efforts. In FY '12 alone, our state investments leveraged \$412.9 million in 13 private investments into brownfields. This amount includes projects approved under the Michigan Community Revitalization Program, the Brownfield Redevelopment Tax Increment Finance program and the DEQ's grant and loan program. The Michigan Community Revitalization Program is designed to accelerate private investment on these brownfield sites and foster the redevelopment of brownfield or historic properties, reduce blight and protect the natural resources of this state. One great example of the success of this program is the redevelopment of a nearly century-old 20,000-square-foot building in downtown Benton Harbor into a modern, mixed-use commercial building.

We are also thinking creatively about helping people realize that it can be cheaper to reuse a site than to build a new building. I am excited to announce a new public-private effort between many of our utilities and the MEDC that will help businesses know the value that existing energy infrastructure can provide. Right now, when a new business with large energy needs is shopping for a new space or weighing an expansion, it is hard to get a ballpark number for how much it will cost them to get the kind of energy they need for their development. This can be a multi-million dollar economic development question – so it's important to get decision makers timely information about the real value of a brownfield site.

Starting today, all investor-owned utilities operating in Michigan will have a dedicated phone number that will let businesses get that ballpark estimate of the rates, connection costs and necessary infrastructure upgrades for up to five sites within five days or less. This significant improvement in the customer service process will provide a streamlined, transparent and consistent method to determine potential costs for upgrades as well as offering the possibility of reducing these costs. Michigan is the only state to offer this service to site selectors. We have the sites, we have the infrastructure and we will work together to power our progress and reinvent Michigan.

Additionally, for companies locating or expanding in an area, we need to make sure our policies are encouraging new investments, not penalizing them. Recently, the PSC, working with our two largest utilities, approved a change that resulted in a consistent and clear policy on the contributions companies may need to make for new electrical infrastructure. Their service territories will now have consistent charges and new customers will no longer subsidize existing infrastructure. In other words, opening or expanding a business in Michigan that needs a lot of electrical power is now simpler and clearer.

Water

Water, and especially Great Lakes water, has always been essential to Michigan. It defines us. We have one-fifth of the world's freshwater supply. We have more coastline than any state except Alaska. And with our local communities leading the way, water is central to our placemaking efforts across the state.

You can't go anywhere in Michigan without seeing communities reconnecting with their waters. In the UP, you can enjoy Houghton and Marquette's waterfront revitalizations. You can visit the Thunder Bay National Marine Sanctuary in Alpena, as I did this year. On the west side, I am excited to support the effort to "put the rapids" back in Grand Rapids. In southwest Michigan, eight coastal communities which stretch along the shoreline of Lake Michigan – Michiana, Grand Beach, New Buffalo, Union Pier, Lakeside, Harbert, Sawyer and Three Oaks – along with the support of the Pokagon Band of Potawatami Indians, have successfully promoted themselves as the tourism destination "Harbor Country."

And of course, the fabulous work on the Detroit Riverfront – driven by a public-private partnership between the state, city, the Detroit RiverFront Conservancy and GM – has already transformed the relationship Detroiters and downtown workers have with the city’s namesake river. That is the power of private and public partnerships – their progress is nothing short of spectacular.

We need to continue that success with another partnership involving the state, city and the Belle Isle Conservancy – the restoration of Belle Isle. Belle Isle is a Detroit jewel that could be the talk of the country, but it badly needs polishing. It is vital that the Detroit City Council approve the agreement that will allow the state to begin making improvements that will allow Detroiters--and all Michiganders--to fall in love with the Belle Isle experience all over again.

To these and all the other communities in Michigan that are connecting to their waterways, I commend you for doing the important work of placemaking that will keep your community vibrant for years to come. The state is supportive of your efforts.

Our state’s water resources permeate all facets of Michigan’s economy as well as the lifestyles that Michiganders enjoy. Water envelopes us and is in the ground below us.

While we are celebrating and enhancing the deep connections Michiganders have to their water, we also need to have a comprehensive water management plan, just as we will have an integrated land management plan. The development of this water plan will be led through Michigan’s Office of The Great Lakes. By identifying our priorities and moving forward with resolve and purpose, we can safeguard our precious resources while creating a better place for our families.

Great Lakes

Of course, every discussion of water in Michigan should begin with the Great Lakes. I am proud to be assuming leadership of the Council of Great Lakes Governors, because there is no state whose future is more intertwined with the Lakes than ours. I will invite the eight Great Lakes States’ governors, and their Canadian counterparts, to Mackinac Island for a summit, because we have a lot of work to do and there’s no better place to be reminded of how important this work is than on that beautiful island.

The biggest issue we face in the Great Lakes is aquatic invasive species – plants and animals - like phragmites (a giant reed that is spreading across our shoreline), zebra mussels and Asian carp. These harmful species are tearing at the health and fabric of our beloved shoreline and lakes. They spread, reproduce and wreak havoc on natural systems, on coastal zones, on beaches and in the aquatic food web. They spoil our view of the water, crowd out native vegetation and harm valuable fish. Because they come into the lakes in a stealthy manner and from many sources, we almost never know who is responsible for the pollution and who should be paying for the mess it creates. The paper plant that’s now paying nearly \$2 million to remove zebra mussels from its facility can’t go find the ocean-going ship that brought the mussels here and demand payment. Our utilities pass on to their customers the millions they spend on the same activity. And everyone who has tried to enjoy a beach with phragmites or an algal bloom or anyone who has caught a lake trout with a lamprey scar knows firsthand that every Michigander will pay the price if we get this wrong.

This is not an issue on which Michigan can afford to sit idly by, even when others ignore the costs. This is not an issue where we can wait and see if the risks are worth it. We know there are measures we could be taking today to reduce the risk of new invasive species entering the Great Lakes. We can and we must manage the ones that are already here so they do not devastate our precious Lakes.

The threat of invasive species is not just a threat we encounter in the water, but is experienced on land too. MDARD has been proactive about fighting agricultural pests, and has some notable successes. As we develop management plans we will utilize what we’ve learned in both arenas to prevent and better manage invasive species.

Michigan cannot address the invasive species issue alone. The Lakes are connected and thus we are connected to our neighbors and their actions, too. We must work with our neighbors, and with the federal government, to do the right thing.

There are three steps Michigan should take:

1. Remain a leader on ballast water standards by encouraging control mechanisms that will prevent introducing species – not just lower the risk. We’ve seen enough to know that allowing even a small risk of introducing species is a guarantee that we’ll be spending millions to fight the next zebra mussel.
2. Create a strong “unwanted list” that puts a trading ban on invasive species.
3. Aggressively defend the Great Lakes against the spread of Asian carp and other invasive fish species.

The threat of Asian carp in the Great Lakes is real and imminent. One of our biggest obstacles to strengthening our defense against an Asian carp invasion has been the reluctance of the federal government to act as aggressively as this threat warrants. Michigan’s officials have pushed hard to protect the Great Lakes from this threat. A bipartisan coalition of Michigan’s representatives in Washington worked mightily and managed to secure some funding and some action on this issue. The Attorney General has pushed long and hard through the courts. Nevertheless, the federal government has already started backsliding on its promises and missed too many deadlines. We need new barriers up on **all** routes identified as probable carp entry points. We need enforcement help on the trading bans for these organisms.

If the federal government won’t protect Michigan’s commerce and the integrity of the Great Lakes, then we will remind it of its obligations. The federal government is required, under the federal Endangered Species Act, to take actions that protect Michigan’s native mussels and other endangered species from invasive species that can harm them. If the Asian carp enter our Lakes, they will adversely affect not just the Lakes’ ecosystem as a whole, but these protected species.

Legally, this is not an obligation that can be avoided because it costs a lot or is inconvenient. With the Attorney General, I am sending a letter that will put the U.S. Fish and Wildlife Service on notice that it has an obligation that it needs to fulfill.

Michigan is prepared to take all necessary steps we need to protect the Great Lakes. I am hopeful that this time, we will get the federal government to really listen to what every Michigander knows – stopping the Asian carp is something we need the federal government to get as serious about as Michigan is.

Water Strategy

Michigan's waters encompass far more than just the Great Lakes. That's why, in addition to the number one priority I've already discussed— aquatic invasive species – there are four components that I am asking my quality of life agencies to put front and center in their efforts to create a comprehensive water strategy for water quality and use for the state. They are improvements to: our water withdrawal system, our storm water and sewer systems, our wetlands system, and finally, continuing the good work we already do restoring Michigan's waterways. Our Great Lakes continue to experience water quality issues. Harmful algal blooms in Lake Erie, beach closings and muck on our beaches and marinas mean that we can't enjoy the Great Lakes as we should. We have done a good job controlling what comes out of our pipes; we need to do even better while addressing pollution from weather-related and non-point source discharges to improve the water quality in our Great Lakes.

Water Use

People may not agree about why climate change is happening, but it is certainly affecting Michigan. Historically low – maybe all-time low – water levels in Lake Michigan and Lake Huron, last year's drought and limited winter ice cover, and overall changing weather patterns across the country have stressed our lakes and groundwater. Water is in demand by farmers for irrigation use, and by Michigan residents and businesses who want clean, safe water, 100 percent of the time. Climate change will make Michigan's water resources all the more valuable – and we need to be ready.

Michigan has created an innovative and simple-to-use system for water withdrawal as part of its obligations under the regional water management compact agreement with the other Great Lakes states.

We need to take the next steps regarding the state's surface water use (lakes, rivers and streams) in Michigan. We will establish a Water Use Advisory Council to refine the Water Withdrawal Assessment Tool and to evaluate situations where large quantity water withdrawals adversely affect other users or the health of the aquatic system. By having this council monitor large surface water users, we can simultaneously support expanding agricultural production and rural development and avoid impacts on water quality and ecological health. We also need to make sure that any conflict resolution system that works for surface water users takes into account groundwater users. This proactive approach can assure that when we have a drought and need to make choices, we will be able to make them fairly and quickly.

Water Quality

Weather-related water runoff has a big impact on the pollution levels in our waterways and lakes. These are expensive problems to fix, and for too long, the only solution the state would look at was more concrete. It's time for that to change. Green infrastructure is one area where an investment can resolve a water-related problem and create recreational space, all at the same time. It also helps address non-point source pollution – pollution that doesn't come out of a pipe, but affects our waters.

We need to focus on creating and recreating green spaces – parks, rain gardens and even swales and ponds – that can absorb stormwater. This will lower our costs while protecting our beaches and the health of the Great Lakes – a real win-win. Our grant and loan programs must incentivize these projects, not block them. I have directed DEQ to undertake reforms to make sure that happens.

Wetlands

Michigan, with more than 5 million acres of wetlands, has a great resource that protects our water quality and provides great habitat for ducks and other waterfowl. That's why Michigan has taken charge of its own wetland program instead of depending on Washington to determine the state's policies. We need to make sure we keep that authority by implementing hard-negotiated changes that satisfy federal and state requirements. We need consistency in the fee structure so that it is fair to all applicants. But most of all, when existing wetlands are converted for development or agriculture use, we need to make sure that we replace them with high quality wetlands. Right now, when a construction project eliminates an existing wetland, Michigan law focuses too much on putting replacement wetlands on the same site. A better way is to expand our use of wetland mitigation banks. In a wetland bank, high quality, spectacular wetlands can result from many different developers choosing to pool their resources and collectively replace their wetlands. I am calling on DEQ to reinvent our wetland mitigation banking system to make sure that Michigan will end up not just with average or good replacement wetlands, but with the best wetlands and wetland systems in America – all at the same or lower cost to our business community and residents.

Continue Restoration

The important ongoing efforts to address historical pollution and to restore many of Michigan's coastal regions and waterways must continue, and will be part of any restoration plan that is put forward. For example, this past year, we took an important step by putting funding associated with underground storage tanks toward cleanups. My budget priorities will continue to reflect sustainable funding for restoring Michigan's environment.

Hydraulic Fracturing

Hydraulic fracturing, or “fracking,” has received increased attention lately. This technology is being used in combination with horizontal drilling to reach some natural gas and other resources that otherwise could not be developed. This innovation is already benefitting Michigan in the form of unusually low natural gas prices and additional money from state leases that goes to our public lands and our parks. But some have expressed concerns about what these technologies mean for Michigan’s environment.

Neither fracking nor horizontal drilling is a new technology—they have been used in Michigan for many decades. None of the fracking that has been done in Michigan has resulted in a single water quality problem. In fact, fracking’s deeper wells likely pose less risk to our groundwater than the shallower wells we are more used to. With our water withdrawal statute, as well as our strong regulatory history of natural gas drilling, we are better prepared – more adaptable – than most other states.

That said, it’s important that our citizens understand what fracking is really all about. That’s why the University of Michigan’s Graham Sustainability Institute is undertaking an evaluation of fracking. At their invitation, the state is participating in the steering committee for this effort alongside environmental and industry groups. At the end of the process, the public will have well-reasoned, objective explanations of what this technology is and is not. We will also have a Michigan-focused evaluation of the various implications of fracking. This is a great example of collaboration and a public university serving the needs of the state, and I am looking forward to seeing the results.

Integration

We need to remember that our ecosystems are all interconnected, and the best environmental solutions can solve more than one problem. A great example of this is recycling. When we can redirect trash to productive use, we reduce the impact on our lands, air and water. And that’s why this is an area in which we need to do better.

As a state, we have one of the lowest recycling rates in the Midwest. We need to look beyond our recycling of cans and plastic bottles and creatively figure out what we can do to reduce our waste overall. This year, my administration will examine possible options to get Michigan to where it needs to be on recycling, and I’ll be coming back to you with a comprehensive plan in 2014.

As anyone who runs a business or a farm can tell you, environmental issues don’t come in neat packages called “water” or “air” – and it can be hard for people to know what the right thing is to do. I think most Michiganders want to do the right thing, but are often unsure about asking for help. We need to make sure those with good intentions can get the assistance they need. I am calling on the DEQ to increase its compliance assistance efforts throughout their regulatory programs – but I think it’s important to recognize two great ways they are already doing that.

DEQ’s award-winning Retired Engineer Technical Assistance Program, or RETAP, sends technical experts to help citizens and businesses figure out ways to prevent pollution and reduce their energy costs. We know our retirees are engaged and vital and make a difference to this state, and this program is a great example of the way some of them are doing just that. In fact, I will be encouraging retired engineers and scientists, who would like to work with companies trying to do the right thing while growing their business, to consider joining the RETAP program.

The second example of a program providing great customer service and environmental benefits is the Michigan Agriculture and Environmental Assurance Program. This is a voluntary, proactive program designed by a coalition of farmers, agricultural commodity groups, state and federal agencies and conservation and environmental groups to reduce food producers’ legal and environmental risks. The response from the agricultural community has been terrific. We are already more than meeting our goals for participation.

And finally, for those who are worried about falling into an endless pit of red tape, I want to promise you that isn’t the case. Since April 2011, a total of 105 unnecessary DEQ rules have been taken off the books, including regulations that were outdated, had excessive reporting requirements, or were related to inefficient government programs. Michigan’s quality of life agencies – DEQ, DNR and MDARD – have all improved in timeliness even while their staff levels have gone down. These agencies will continue to work closely with applicants that have complicated issues, making certain that their reviews are data driven and focused on bad actors that need more watching.

In addition, the Office of Regulatory Reinvention, in conjunction with DEQ and stakeholders, has developed and issued recommendations to ensure that Michigan’s environmental regulations are simple, fair and efficient. The DEQ has developed a plan to implement those recommendations, and has made considerable progress in following through on that plan. I encourage DEQ and the Legislature to continue working toward implementing these recommendations.

IV. Conclusion

There is a long list of things we need to do to support and enhance our efforts to protect our environment and ensure our energy future. But the best thing Michigan has going for it – by far – is our ability to adapt. We are committed to reinventing Michigan, and with the help of both the Legislature and the people, we are seeing results. Michigan is the comeback state of the nation. Our ability to adapt will ensure that, no matter what the future holds, Michigan will be ready.

We will work to set up the kind of environmental protections that allow us to adapt to changing conditions, and make sure our environment is healthy and resilient. Then we will enjoy watching our kids keep up the spirit of relentless positive action that reinvented the state they know, love and call home.

The message was referred to the Secretary for record.

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

Senator Meekhof 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 Calley, designated Senator Warren as Chairperson.

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

House Bill No. 5089, entitled

A bill to amend 1978 PA 368, entitled "Public health code," (MCL 333.1101 to 333.25211) by adding section 17775.

House Bill No. 5090, entitled

A bill to amend 1978 PA 368, entitled "Public health code," (MCL 333.1101 to 333.25211) by adding section 17776.

House Bill No. 5582, entitled

A bill to amend 1956 PA 217, entitled "Electrical administrative act," by amending section 3d (MCL 338.883d), as added by 1990 PA 246.

House Bill No. 5583, entitled

A bill to amend 2002 PA 733, entitled "State plumbing act," by amending section 25 (MCL 338.3535).

House Bill No. 4725, entitled

A bill to amend 1985 PA 87, entitled "William Van Regenmorter crime victim's rights act," by amending sections 8, 38, and 68 (MCL 780.758, 780.788, and 780.818), as amended by 2000 PA 503.

House Bill No. 4096, entitled

A bill to amend 1984 PA 431, entitled "The management and budget act," (MCL 18.1101 to 18.1594) by adding section 448.

House Bill No. 5789, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 3801 (MCL 600.3801), as amended by 1988 PA 2.

The bills were placed on the order of Third Reading of Bills.

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

House Bill No. 5590, entitled

A bill to amend 1968 PA 330, entitled "Private security business and security alarm act," by amending section 6 (MCL 338.1056), as amended by 2002 PA 473.

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

1. Amend page 2, line 2, after "than" by striking out "25" and inserting "21".

The Senate agreed to the amendment recommended by the Committee of the Whole, and the bill as amended 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. 5668, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 217 and 235 (MCL 257.217 and 257.235), section 217 as amended by 2005 PA 36 and section 235 as amended by 2002 PA 652, and by adding section 235B. 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. 5523, entitled

A bill to prohibit employers and educational institutions from requiring certain individuals to grant access to, allow observation of, or disclose information that allows access to or observation of personal internet accounts; to prohibit employers and educational institutions from taking certain actions for failure to allow access to, observation of, or disclosure of information that allows access to personal internet accounts; and to provide sanctions and remedies.

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. 5466, entitled

A bill to amend 1966 PA 165, entitled "An act to invalidate certain requirements for indemnity in the construction industry," by amending section 1 (MCL 691.991).

Substitute (S-5).

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

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

Senate Bill No. 1020, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 81101, 81115, 81122, 81129, 81131, and 81133 (MCL 324.81101, 324.81115, 324.81122, 324.81129, 324.81131, and 324.81133), section 81101 as amended by 2012 PA 246, sections 81115 and 81129 as amended by 2008 PA 240, section 81122 as added by 1995 PA 58, section 81131 as amended by 2011 PA 107, and section 81133 as amended by 2012 PA 340; and to repeal acts and parts of acts.

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.

During the Committee of the Whole, Senators Young and Schuitmaker entered the Senate Chamber.

By unanimous consent the Senate returned to the order of

Motions and Communications

Senator Meekhof moved that the Committee on Regulatory Reform be discharged from further consideration of the following bill:

House Bill No. 5902, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 17d of chapter XVII (MCL 777.17d), as added by 2002 PA 28.

The motion prevailed, a majority of the members serving voting therefor, and the bill was placed on the order of General Orders.

Senator Meekhof moved that the bill be referred to the Committee on Judiciary.

The motion prevailed.

By unanimous consent the Senate proceeded to the order of

Resolutions

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

Senate Resolution No. 115

Senate Concurrent Resolution No. 26

Senate Resolution No. 34

Senate Resolution No. 85

Senate Resolution No. 105

House Concurrent Resolution No. 29

Senate Resolution No. 112

House Concurrent Resolution No. 6
Senate Resolution No. 120
Senate Resolution No. 127
Senate Concurrent Resolution No. 27
The motion prevailed.

House Concurrent Resolution No. 67.

A concurrent resolution approving the conveyance of property to the State Building Authority and approving a lease among the State of Michigan, the State Building Authority, and Ferris State University relative to the Ferris State University College of Pharmacy.

Whereas, Section 5 of 1964 PA 183, as amended, being MCL 830.415, requires the approval of the Board of Trustees of Ferris State University (the "Educational Institution"), the State Administrative Board, and the Michigan Legislature by concurrent resolution concurred in by a majority of the members elected to and serving in each house, with the votes and names of the members voting thereon entered in the journal, before land owned by the Educational Institution may be conveyed to the State Building Authority (the "Authority"); and

Whereas, The site for the Ferris State University College of Pharmacy (the "Facility") is currently owned by the Educational Institution; and

Whereas, Section 7 of 1964 PA 183, as amended, being MCL 830.417, requires the approval of the State Administrative Board and the Michigan Legislature by concurrent resolution concurred in by a majority of the members elected to and serving in each house, with the votes and names of the members voting thereon entered in the journal, before the State of Michigan (the "State") may enter into a lease with the Authority upon a showing of a public purpose; and

Whereas, Providing additional space to be used by the Educational Institution pursuant to the lease for the Facility is a recognized public purpose; and

Whereas, A lease among the Authority, the State, and the Educational Institution has been prepared providing for the leasing of the Facility by the Authority to the State and the Educational Institution (the "Lease"); and

Whereas, The Executive Director of the Authority has furnished the Joint Capital Outlay Subcommittee of the Legislature with information and documents relative to the Lease; now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Total Facility Cost for the Ferris State University College of Pharmacy shall not exceed \$8,800,000 (the Authority share is \$6,599,800, the State General Fund/General Purpose share is \$200, and the Educational Institution share is \$2,200,000), plus interest charges on monies advanced by the State to meet the construction cash flow requirements of the Facility, if any, of which not more than \$6,599,800, plus interest charges on monies advanced by the State to meet the construction cash flow requirements of the Facility, if any, shall be financed from bonds issued by the Authority, exclusive of amounts necessary for reserves, interest, or other nonconstruction costs; and be it further

Resolved, That the Legislature hereby approves the necessary conveyances of property to the Authority as more particularly described in the Lease and attachments thereto; and be it further

Resolved, That the Legislature hereby approves the Authority acquiring the Facility and leasing it to the State and the Educational Institution and hereby determines that the leasing of the Facility from the Authority is for a public purpose as authorized by 1964 PA 183, as amended; and be it further

Resolved, That the annual amounts of "True Rental" for the Facility shall be within or below the range of \$453,000 and \$592,000, as shall reflect variations that may occur in the components upon which the appraisal of True Rental was based, which amounts shall be certified by the appraiser and thereafter approved by the State Administrative Board and the Authority as authorized by 1964 PA 183, as amended; and be it further

Resolved, That the Lease is hereby approved by this concurrent resolution, and the Governor and the Secretary of State are authorized and directed to execute the Lease for and on behalf of the State; and be it further

Resolved, That, by hereby approving the Lease among the State, the Educational Institution, and the Authority, the Legislature agrees to appropriate annually sufficient amounts to pay the rent as obligated pursuant to the Lease; and be it further

Resolved, That copies of this concurrent resolution be transmitted to the Governor, the Secretary of State, the Authority, the Board of Trustees of Ferris State University, and the State Budget Director.

The House of Representatives has adopted the concurrent resolution.

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

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

The question being on the adoption of the concurrent resolution,

Senator Meekhof moved that the concurrent resolution be referred to the Committee on Appropriations.

The motion prevailed.

Senators Booher and Jansen were named co-sponsors of the concurrent resolution.

Senate Concurrent Resolution No. 35.

A concurrent resolution of tribute offered as a memorial for Hal W. Ziegler, former member of the House of Representatives and the Senate.

(For text of resolution, see Senate Journal No. 72, p. 2250.)

The House of Representatives has adopted the concurrent resolution.

The concurrent resolution was referred to the Secretary for record.

Recess

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

The motion prevailed, the time being 10:28 a.m.

11:35 a.m.

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

By unanimous consent the Senate returned to the order of

General Orders

Senator Meekhof 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 pro tempore, Senator Schuitmaker, designated Senator Warren as Chairperson.

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

House Bill No. 5705, entitled

A bill to amend 1990 PA 100, entitled "City utility users tax act," by amending section 2 of chapter 1 and sections 2 and 3 of chapter 2 (MCL 141.1152, 141.1162, and 141.1163), section 2 of chapter 1 as amended by 2011 PA 57, and by adding sections 8a and 8b to chapter 1.

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:

House Bill No. 5688, entitled

A bill to provide for the creation of certain lighting authorities for the purpose of operating lighting systems; to provide for the powers and duties of the authorities; to provide for the conveyance of operational jurisdiction over certain operations to authorities; to provide for the assumption of certain contracts, bonds, notes, and other evidences of indebtedness and liabilities related to the provision of lighting authorities; to authorize expenditures from certain funds; to finance the acquisition of property and the development of certain public improvements or related facilities; to provide for the issuance of bonds and notes; to authorize certain investments; and to impose certain powers and duties upon state and local departments, agencies, and officers.

Substitute (S-5).

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

1. Amend page 7, line 1, after "(a)" by striking out "Three" and inserting "Two".
2. Amend page 7, following line 20, by inserting:

"(c) One member who is a resident of the local government appointed by the governing body of the local government, from a list of 3 names provided by the chief executive officer of the local government, for a term of service of 3 years.

(3) Notwithstanding any other provision of this act, the term of a member appointed to the board of directors under subsection (2) shall expire upon expiration of the term of the chief executive officer or the governing body of the local government." and renumbering the remaining subsections.

3. Amend page 28, line 1, after "purchased," by inserting "constructed, gifted,".

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. 970, entitled

A bill to amend 1964 PA 284, entitled "City income tax act," by amending section 3 of chapter 1 (MCL 141.503), as amended by 2011 PA 56.

Substitute (S-5).

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

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:
Senate Bill No. 968, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 724 (MCL 257.724), as amended by 2009 PA 169.

Substitute (S-2).

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

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

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

Senate Bill No. 409

Senate Bill No. 152

The motion prevailed.

Senate Bill No. 402, entitled

A bill to amend 1978 PA 368, entitled "Public health code," (MCL 333.1101 to 333.25211) by adding section 5139.

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

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

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

The Senate agreed to the full title.

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

Senate Bill No. 403, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 309 (MCL 257.309), as amended by 2004 PA 362.

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

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

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

The Senate agreed to the full title.

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

Senate Bill No. 564, entitled

A bill to amend 1939 PA 280, entitled "The social welfare act," by amending section 106a (MCL 400.106a), as added by 2003 PA 32.

The House of Representatives has passed the bill 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 not concurred in, 2/3 of the members serving not voting therefor.

The Senate agreed to the full title.

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

Senate Bill No. 688, entitled

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending section 423 (MCL 750.423).

The House of Representatives has amended the bill as follows:

1. Amend page 2, line 8, by striking out the balance of the bill and inserting:

"Enacting section 1. This amendatory act takes effect April 1, 2013.

Enacting section 2. This amendatory act does not take effect unless Senate Bill No. 689 of the 96th Legislature is enacted into law."

The House of Representatives has passed the bill as amended and pursuant to Joint Rule 20, inserted the full title.

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

Senate Bill No. 689, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 2102 (MCL 600.2102) and by adding chapter 21A.

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

The House of Representatives has passed the bill as substituted (H-1) and pursuant to Joint Rule 20, inserted the full title. Pursuant to rule 3.202, the bill was laid over one day.

Senate Bill No. 707, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 1852 (MCL 600.1852) and by adding chapter 22.

The House of Representatives has amended the bill as follows:

1. Amend page 5, line 8, after "ON" by striking out "JULY 1, 2012" and inserting "APRIL 1, 2013".
2. Amend page 5, line 9, after "EFFECT" by striking out the balance of the bill and inserting "APRIL 1, 2013."

Enacting section 1. Section 1852 of the revised judicature act of 1961, 1961 PA 236, MCL 600.1852, as amended by this amendatory act, takes effect April 1, 2013."

The House of Representatives has passed the bill as amended and pursuant to Joint Rule 20, inserted the full title.

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

Senate Bill No. 726, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 24 of chapter VII (MCL 767.24), as amended by 2005 PA 35.

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

The House of Representatives has passed the bill as substituted (H-2) 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 24 of chapter VII (MCL 767.24), as amended by 2011 PA 203.

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

Senate Bill No. 845, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 4a of chapter IX (MCL 769.4a), as amended by 2006 PA 663.

The House of Representatives has amended the bill as follows:

1. Amend page 4, line 27, after "effect" by striking out the balance of the enacting section and inserting "April 1, 2013".

The House of Representatives has passed the bill as amended and pursuant to Joint Rule 20, inserted the full title.

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

Senate Bill No. 846, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 16d of chapter XVII (MCL 777.16d), as amended by 2011 PA 169.

The House of Representatives has amended the bill as follows:

1. Amend page 4, line 8, after "effect" by striking out the balance of enacting section 1 and inserting "April 1, 2013".

2. Amend page 4, line 10, by striking out all of enacting section 2 and inserting:

“Enacting section 2. This amendatory act does not take effect unless all of the following bills of the 96th Legislature are enacted into law:

(a) Senate Bill No. 847.

(b) Senate Bill No. 848.”.

The House of Representatives has passed the bill as amended and pursuant to Joint Rule 20, inserted the full title.

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

Senate Bill No. 847, entitled

A bill to amend 1931 PA 328, entitled “The Michigan penal code,” by amending sections 81 and 81a (MCL 750.81 and 750.81a), as amended by 2001 PA 190.

The House of Representatives has amended the bill as follows:

1. Amend page 4, line 24, after “amendatory” by striking out the balance of the enacting section and inserting “act takes effect April 1, 2013.”.

The House of Representatives has passed the bill as amended and pursuant to Joint Rule 20, inserted the full title.

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

Senate Bill No. 848, entitled

A bill to amend 1931 PA 328, entitled “The Michigan penal code,” by amending section 84 (MCL 750.84).

The House of Representatives has amended the bill as follows:

1. Amend page 2, line 8, after “effect” by striking out the balance of the enacting section and inserting “April 1, 2013.”.

The House of Representatives has passed the bill as amended and pursuant to Joint Rule 20, inserted the full title.

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

Senate Bill No. 862, entitled

A bill to amend 1893 PA 206, entitled “The general property tax act,” by amending section 34c (MCL 211.34c), as amended by 2011 PA 320.

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

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

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

Senate Bill No. 901, entitled

A bill to amend 1978 PA 59, entitled “Condominium act,” by amending section 144 (MCL 559.244), as added by 1982 PA 538.

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

The House of Representatives has passed the bill as substituted (H-1) and pursuant to Joint Rule 20, inserted the full title.

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

Senate Bill No. 902, entitled

A bill to amend 1961 PA 236, entitled “Revised judicature act of 1961,” by amending section 5070 (MCL 600.5070), as added by 2000 PA 419, and by adding section 5037 to chapter 50; and to repeal acts and parts of acts.

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 1961 PA 236, entitled “An act to revise and consolidate the statutes relating to the organization and jurisdiction of the courts of this state; the powers and duties of the courts, and of the judges and other officers of the courts; the forms and attributes of civil claims and actions; the time within which civil actions and proceedings may be brought in the courts; pleading, evidence, practice, and procedure in civil and criminal actions and proceedings in the courts; to provide for the powers and duties of certain state governmental officers and entities; to provide remedies and penalties for the violation of certain provisions of this act; to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act; and to repeal acts and parts of acts,” by amending section 5070 (MCL 600.5070), as added by 2000 PA 419; and to repeal acts and parts of acts.

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

Senate Bill No. 903, entitled

A bill to provide for the enforceability of agreements to arbitrate disputes; to provide procedures for the arbitration of disputes; to provide remedies, including remedies for the enforcement of arbitration agreements, rulings, and awards; and to provide immunity from civil liability and testimonial privileges.

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

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

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

Senate Bill No. 934, entitled

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending sections 520b, 520c, 520d, and 520e (MCL 750.520b, 750.520c, 750.520d, and 750.520e), as amended by 2007 PA 163.

The House of Representatives has amended the bill as follows:

1. Amend page 14, line 23, after "effect" by striking out the balance of the enacting section and inserting "April 1, 2013."

The House of Representatives has passed the bill as amended and pursuant to Joint Rule 20, inserted the full title.

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

Senate Bill No. 1001, entitled

A bill to amend 1982 PA 295, entitled "Support and parenting time enforcement act," by amending section 23 (MCL 552.623), as amended by 1998 PA 334.

The House of Representatives has passed the bill 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 not concurred in, 2/3 of the members serving not voting therefor.

The Senate agreed to the full title.

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

Senate Bill No. 1056, entitled

A bill to amend 1925 PA 289, entitled "An act to create and maintain a fingerprint identification and criminal history records division within the department of state police; to require peace officers, persons in charge of certain institutions, and others to make reports respecting juvenile offenses, crimes, and criminals to the state police; to require the fingerprinting of an accused by certain persons; and to provide penalties and remedies for a violation of this act," by amending sections 1a, 2, 2a, 3, 3a, and 8 (MCL 28.241a, 28.242, 28.242a, 28.243, 28.243a, and 28.248), sections 1a and 3a as amended and section 8 as added by 2001 PA 187, section 2 as amended by 2001 PA 203, section 2a as added by 2005 PA 310, and section 3 as amended by 2004 PA 222.

The House of Representatives has amended the bill as follows:

1. Amend page 11, following line 2, by inserting:

"(G) SECTION 1209(6) OF THE REVISED JUDICATURE ACT OF 1961, 1961 PA 236, MCL 600.1209."

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

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

Senate Bill No. 1108, entitled

A bill to amend 1986 PA 89, entitled "Michigan BIDCO act," by amending the title and sections 104, 105, 106, 203, 301, 303, 401, and 403 (MCL 487.1104, 487.1105, 487.1106, 487.1203, 487.1301, 487.1303, 487.1401, and 487.1403), sections 104, 105, 106, 301, 303, 401, and 403 as amended by 1997 PA 150, and by adding sections 304 and 304a.

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

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

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

The Senate agreed to the full title.

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

Senate Bill No. 1195, entitled

A bill to amend 1939 PA 280, entitled "The social welfare act," (MCL 400.1 to 400.119b) by adding section 109k.

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

The House of Representatives has passed the bill as substituted (H-1) and pursuant to Joint Rule 20, inserted the full title.

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

Senate Bill No. 1196, entitled

A bill to amend 1974 PA 258, entitled "Mental health code," by amending sections 204, 212, 224, and 232a (MCL 330.1204, 330.1212, 330.1224, and 330.1232a), sections 204, 212, and 224 as amended and section 232a as added by 1995 PA 290; and to repeal acts and parts of acts.

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

The House of Representatives has passed the bill as substituted (H-2) and pursuant to Joint Rule 20, inserted the full title. Pursuant to rule 3.202, the bill was laid over one day.

Senate Bill No. 358, entitled

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending section 159g (MCL 750.159g), as amended by 2010 PA 362.

Substitute (H-1).

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

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

Roll Call No. 798**Yeas—38**

Anderson	Gregory	Kahn	Richardville
Bieda	Hansen	Kowall	Robertson
Booher	Hildenbrand	Marleau	Rocca
Brandenburg	Hood	Meekhof	Schuitmaker
Casperson	Hopgood	Moolenaar	Smith
Caswell	Hune	Nofs	Walker
Colbeck	Hunter	Pappageorge	Warren
Emmons	Jansen	Pavlov	Whitmer
Gleason	Johnson	Proos	Young
Green	Jones		

Nays—0**Excused—0****Not Voting—0**

In The Chair: President

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

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

The Senate agreed to the full title.

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

Third Reading of Bills

Senator Meekhof 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. 970

House Bill No. 5688

House Bill No. 5705

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

The following bill was read a third time:

Senate Bill No. 970, entitled

A bill to amend 1964 PA 284, entitled "City income tax act," by amending section 3 of chapter 1 (MCL 141.503), as amended by 2011 PA 56.

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. 799

Yeas—20

Booher	Jansen	Meekhof	Schuitmaker
Caswell	Johnson	Nofs	Smith
Gleason	Kahn	Pappageorge	Walker
Gregory	Kowall	Proos	Warren
Hunter	Marleau	Richardville	Whitmer

Nays—18

Anderson	Emmons	Hopgood	Pavlov
Bieda	Green	Hune	Robertson
Brandenburg	Hansen	Jones	Rocca
Casperson	Hildenbrand	Moolenaar	Young
Colbeck	Hood		

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. 5688, entitled

A bill to provide for the creation of certain lighting authorities for the purpose of operating lighting systems; to provide for the powers and duties of the authorities; to provide for the conveyance of operational jurisdiction over certain operations to authorities; to provide for the assumption of certain contracts, bonds, notes, and other evidences of indebtedness and liabilities related to the provision of lighting authorities; to authorize expenditures from certain funds; to finance the acquisition of property and the development of certain public improvements or related facilities; to provide for the issuance of bonds and notes; to authorize certain investments; and to impose certain powers and duties upon state and local departments, agencies, and officers.

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. 800

Yeas—25

Anderson	Hansen	Kowall	Richardville
Bieda	Hildenbrand	Marleau	Schuitmaker
Casperson	Hunter	Meekhof	Smith

Caswell
Gleason
Green
Gregory

Jansen
Johnson
Kahn

Nofs
Pappageorge
Proos

Walker
Warren
Whitmer

Nays—13

Booher
Brandenburg
Colbeck
Emmons

Hood
Hopgood
Hune

Jones
Moolenaar
Pavlov

Robertson
Rocca
Young

Excused—0

Not Voting—0

In The Chair: President

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

The following bill was read a third time:

House Bill No. 5705, entitled

A bill to amend 1990 PA 100, entitled "City utility users tax act," by amending section 2 of chapter 1 and sections 2 and 3 of chapter 2 (MCL 141.1152, 141.1162, and 141.1163), section 2 of chapter 1 as amended by 2011 PA 57, and by adding sections 8a and 8b to chapter 1.

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. 801

Yeas—23

Anderson
Bieda
Booher
Caswell
Gleason
Gregory

Hildenbrand
Hunter
Jansen
Johnson
Kahn
Kowall

Marleau
Meekhof
Nofs
Pappageorge
Proos
Richardville

Schuitmaker
Smith
Walker
Warren
Whitmer

Nays—15

Brandenburg
Casperson
Colbeck
Emmons

Green
Hansen
Hood
Hopgood

Hune
Jones
Moolenaar
Pavlov

Robertson
Rocca
Young

Excused—0

Not Voting—0

In The Chair: President

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

Senator Richardville offered to amend the title as follows:

A bill to amend 1990 PA 100, entitled "An act to permit the imposition, revival, and continued collection by certain cities of a utility users tax; to provide the procedure for, and to require the adoption of a prescribed uniform city utility users tax ordinance by cities desiring to impose and collect such a tax; to limit the rate of such tax; to prescribe the powers and duties of the department of treasury; and to provide for appeals," by amending section 2 of chapter 1 (MCL 141.1152), as amended by 2011 PA 57, and by adding sections 8a and 8b to chapter 1.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

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

Senate Bill No. 970, entitled

A bill to amend 1964 PA 284, entitled "City income tax act," by amending section 3 of chapter 1 (MCL 141.503), as amended by 2011 PA 56.

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

Recess

Senator Meekhof moved that the Senate recess until 2:45 p.m.

The motion prevailed, the time being 12:15 p.m.

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

Recess

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

The motion prevailed, the time being 2:46 p.m.

3:40 p.m.

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

By unanimous consent the Senate returned to the order of

Third Reading of Bills

Senator Meekhof 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:

House Bill No. 5789

Senate Bill No. 968

Senate Bill No. 1020

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

The following bill was read a third time:

House Bill No. 5789, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 3801 (MCL 600.3801), as amended by 1988 PA 2.

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. 802**Yeas—38**

Anderson	Gregory	Kahn	Richardville
Bieda	Hansen	Kowall	Robertson
Booher	Hildenbrand	Marleau	Rocca
Brandenburg	Hood	Meekhof	Schuitmaker
Casperson	Hopgood	Moolenaar	Smith
Caswell	Hune	Nofs	Walker
Colbeck	Hunter	Pappageorge	Warren
Emmons	Jansen	Pavlov	Whitmer
Gleason	Johnson	Proos	Young
Green	Jones		

Nays—0**Excused—0****Not Voting—0**

In The Chair: Schuitmaker

Senator Meekhof 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 revise and consolidate the statutes relating to the organization and jurisdiction of the courts of this state; the powers and duties of the courts, and of the judges and other officers of the courts; the forms and attributes of civil claims and actions; the time within which civil actions and proceedings may be brought in the courts; pleading, evidence, practice, and procedure in civil and criminal actions and proceedings in the courts; to provide for the powers and duties of certain state governmental officers and entities; to provide remedies and penalties for the violation of certain provisions of this act; to repeal all acts and parts of acts inconsistent with or contravening any of the provisions 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:

Senate Bill No. 968, entitled

A bill to amend 1949 PA 300, entitled “Michigan vehicle code,” by amending section 724 (MCL 257.724), as amended by 2012 PA 252.

The question being on the passage of the bill,

Senator Proos offered the following amendments:

1. Amend page 5, line 2, by striking out “maximum allowable” and inserting “**PERMITTED**”.
2. Amend page 5, line 17, after “**THE**” by striking out “**MAXIMUM ALLOWABLE**” and inserting “**PERMITTED**”.
3. Amend page 5, line 27, by striking out “maximum allowable” and inserting “**PERMITTED**”.

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. 803**Yeas—38**

Anderson	Gregory	Kahn	Richardville
Bieda	Hansen	Kowall	Robertson

Booher	Hildenbrand	Marleau	Rocca
Brandenburg	Hood	Meekhof	Schuitmaker
Casperson	Hopgood	Moolenaar	Smith
Caswell	Hune	Nofs	Walker
Colbeck	Hunter	Pappageorge	Warren
Emmons	Jansen	Pavlov	Whitmer
Gleason	Johnson	Proos	Young
Green	Jones		

Nays—0

Excused—0

Not Voting—0

In The Chair: Schuitmaker

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 1020, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending sections 81101, 81115, 81122, 81129, 81131, and 81133 (MCL 324.81101, 324.81115, 324.81122, 324.81129, 324.81131, and 324.81133), section 81101 as amended by 2012 PA 246, sections 81115 and 81129 as amended by 2008 PA 240, section 81122 as added by 1995 PA 58, section 81131 as amended by 2011 PA 107, and section 81133 as amended by 2012 PA 340; and to repeal acts and parts of acts.

The question being on the passage of the bill,
Senator Casperson offered the following substitute:
Substitute (S-2).

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

The question being on the passage of the bill,

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

Roll Call No. 804

Yeas—38

Anderson	Gregory	Kahn	Richardville
Bieda	Hansen	Kowall	Robertson
Booher	Hildenbrand	Marleau	Rocca
Brandenburg	Hood	Meekhof	Schuitmaker
Casperson	Hopgood	Moolenaar	Smith
Caswell	Hune	Nofs	Walker
Colbeck	Hunter	Pappageorge	Warren
Emmons	Jansen	Pavlov	Whitmer
Gleason	Johnson	Proos	Young
Green	Jones		

Nays—0

Excused—0

Not Voting—0

In The Chair: Schuitmaker

The Senate agreed to the title of the bill.

Recess

Senator Meekhof moved that the Senate recess subject to the call of the Chair.
The motion prevailed, the time being 3:50 p.m.

4:23 p.m.

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

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

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

December 4, 2012

Pursuant to Joint Rule 3, the Senate, having non-concurred in the House substitute (H-1) to Senate Bill 931, appoints the following members to sit on the conference committee:

Senator Roger Kahn
Senator Jim Marleau
Senator Glenn Anderson

Thank you for your prompt consideration of this matter.

Respectfully yours,
Randy Richardville
Senate Majority Leader

The communication was referred to the Secretary for record.

The Secretary announced that the following House bills were received in the Senate and filed on Tuesday, December 4:
House Bill Nos. 5830 5831 5917 5922 6029 6030

By unanimous consent the Senate proceeded to the order of
Introduction and Referral of Bills

House Bill No. 5261, entitled

A bill to amend 1980 PA 300, entitled "The public school employees retirement act of 1979," by amending section 61 (MCL 38.1361), as amended by 2010 PA 75.

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 Appropriations.

House Bill No. 5367, entitled

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2012; and to provide for the expenditure of the appropriations.

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 Appropriations.

House Bill No. 5830, entitled

A bill to amend 1964 PA 183, entitled "An act creating the state building authority with power to acquire, construct, furnish, equip, own, improve, enlarge, operate, mortgage, and maintain facilities for the use of the state or any of its agencies; to act as a developer or co-owner of facilities as a condominium project for the use of the state or any of its agencies; to authorize the execution of leases pertaining to those facilities by the building authority with the state or any of its agencies; to authorize the payment of true rentals by the state; to provide for the issuance of revenue obligations by the building authority to be paid from the true rentals to be paid by the state and other resources and security provided for and pledged by the building authority; to authorize the creation of funds; to authorize the conveyance of lands by the state or any of its agencies for the purposes authorized in this act; to authorize the appointment of a trustee for bondholders; to permit remedies for the benefit of parties in interest; to provide for other powers and duties of the authority; and to provide for other matters in relation to the authority and its obligations," by amending sections 3, 5, 7, and 8 (MCL 830.413, 830.415, 830.417, and 830.418), sections 3 and 7 as amended by 2005 PA 67, section 5 as amended by 1994 PA 252, and section 8 as amended by 2002 PA 382.

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 Appropriations.

House Bill No. 5831, entitled

A bill to amend 1984 PA 431, entitled "The management and budget act," by amending sections 115, 221, 237a, 241, 242, 246, 248, 249, and 393 (MCL 18.1115, 18.1221, 18.1237a, 18.1241, 18.1242, 18.1246, 18.1248, 18.1249, and 18.1393), sections 115, 221, 242, 246, 248, and 393 as amended and section 237a as added by 1999 PA 8 and section 241 as amended by 2010 PA 22, and by adding sections 221a, 238, and 242a.

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 Appropriations.

House Bill No. 5881, entitled

A bill to amend 1943 PA 240, entitled "State employees' retirement act," by amending section 68c (MCL 38.68c), as amended by 2011 PA 264.

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 Appropriations.

House Bill No. 5917, entitled

A bill to amend 1974 PA 154, entitled "Michigan occupational safety and health act," by amending section 19 (MCL 408.1019), as amended by 1991 PA 105; 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 and referred to the Committee on Reforms, Restructuring and Reinventing.

House Bill No. 5922, entitled

A bill to amend 1974 PA 154, entitled "Michigan occupational safety and health act," by amending sections 4, 6, 11, 16, 21, and 69 (MCL 408.1004, 408.1006, 408.1011, 408.1016, 408.1021, and 408.1069), section 11 as amended by 1986 PA 80 and sections 16 and 21 as amended by 1991 PA 105; 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 and referred to the Committee on Reforms, Restructuring and Reinventing.

House Bill No. 5926, entitled

A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," by amending sections 90a, 90b, 90c, and 90d (MCL 125.2090a, 125.2090b, 125.2090c, and 125.2090d), section 90a as added by 2011 PA 252, section 90b as amended by 2012 PA 145, and sections 90c and 90d as added by 2011 PA 253.

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 Economic Development.

House Bill No. 6011, entitled

A bill to amend 1937 PA 94, entitled "Use tax act," (MCL 205.91 to 205.111) by adding section 4aa.

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 Economic Development.

House Bill No. 6012, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 623 (MCL 206.623), as amended by 2011 PA 312, and by adding section 31b.

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 Economic Development.

House Bill No. 6029, entitled

A bill to authorize the state administrative board to convey certain state-owned property in Grand Traverse, Otsego, and Schoolcraft counties and to accept and convey certain other property in Grand Traverse county; to prescribe conditions for the acceptance and the conveyances; to provide for certain powers and duties of certain state departments in regard to the properties; to provide for disposition of revenue derived from the conveyances; and to authorize the state administrative board to transfer certain state-owned property in Jackson county from the state transportation department to the department of corrections.

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 Appropriations.

House Bill No. 6030, entitled

A bill to authorize the state administrative board to convey certain parcels of state-owned property in Ingham and Wayne counties; to prescribe conditions for the conveyances; to provide for certain powers and duties of certain state departments in regard to the properties; and to provide for disposition of revenue derived from the conveyances.

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 Appropriations.

Committee Reports

The Committee on Agriculture reported

House Bill No. 5546, entitled

A bill to amend 1995 PA 279, entitled "Horse racing law of 1995," by amending the title and sections 2, 3, 4, 6, 7, 8, 9, 9a, 10, 12, 13, 14, 15, 16, 17, 18, 19, 19a, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, and 32 (MCL 431.302, 431.303, 431.304, 431.306, 431.307, 431.308, 431.309, 431.309a, 431.310, 431.312, 431.313, 431.314, 431.315, 431.316, 431.317, 431.318, 431.319, 431.319a, 431.320, 431.321, 431.322, 431.323, 431.324, 431.325, 431.326, 431.327, 431.328, 431.329, and 431.332), sections 2 and 4 as amended by 2006 PA 445, sections 7, 9, 10, and 12 as amended by 2000 PA 164, section 9a as added by 1997 PA 73, sections 14, 17, and 18 as amended and section 19a as added by 1998 PA 408, section 16 as amended by 2005 PA 7, and section 20 as amended by 2006 PA 185; and to repeal acts and parts of acts.

With the recommendation that the bill pass.

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

Joe Hune
Chairperson

To Report Out:

Yeas: Senators Hune, Booher and Hansen

Nays: None

The bill was referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Agriculture submitted the following:

Meeting held on Thursday, November 29, 2012, at 8:30 a.m., Room 110, Farnum Building

Present: Senators Hune (C), Booher and Hansen

Excused: Senators Emmons and Gleason

The Committee on Banking and Financial Institutions reported

House Bill No. 5835, entitled

A bill to repeal 1980 PA 307, entitled "Savings and loan act of 1980," (MCL 491.102 to 491.1202).

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.

Darwin L. Booher
Chairperson

To Report Out:

Yeas: Senators Booher, Nofs, Green, Marleau and Rocca

Nays: None

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

The Committee on Banking and Financial Institutions reported

House Bill No. 5836, entitled

A bill to amend 1978 PA 322, entitled "An act to authorize financial institutions to make electronic funds transfer terminals available to their customers; to protect the privacy and security of customers; to prohibit unfair discrimination among financial institutions and monopolistic practices in the use and availability of electronic funds transfer terminals; to prescribe remedies; and to prescribe penalties," by amending section 2 (MCL 488.2), as amended by 2003 PA 220.

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.

Darwin L. Booher

Chairperson

To Report Out:

Yeas: Senators Booher, Nofs, Green, Marleau and Rocca

Nays: None

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

The Committee on Banking and Financial Institutions reported

House Bill No. 5837, entitled

A bill to amend 1973 PA 43, entitled "An act to permit associations, institutions and credit unions to process or handle food stamps; and to prescribe powers and duties," by amending section 1 (MCL 400.171), as amended by 2003 PA 218.

With the recommendation that the bill pass.

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

Darwin L. Booher

Chairperson

To Report Out:

Yeas: Senators Booher, Nofs, Green, Marleau and Rocca

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Banking and Financial Institutions reported

House Bill No. 5838, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending sections 5451 and 6023 (MCL 600.5451 and 600.6023), section 5451 as added by 2004 PA 575 and section 6023 as amended by 1998 PA 61.

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.

Darwin L. Booher

Chairperson

To Report Out:

Yeas: Senators Booher, Nofs, Green, Marleau and Rocca

Nays: None

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

The Committee on Banking and Financial Institutions reported

House Bill No. 5863, entitled

A bill to amend 1950 (Ex Sess) PA 27, entitled "Motor vehicle sales finance act," by amending section 36 (MCL 492.136), as amended by 2003 PA 221.

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.

Darwin L. Booher

Chairperson

To Report Out:

Yeas: Senators Booher, Nofs, Green, Marleau and Rocca

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 Banking and Financial Institutions submitted the following:

Meeting held on Thursday, November 29, 2012, at 1:30 p.m., Room 100, Farnum Building

Present: Senators Booher (C), Nofs, Green, Marleau and Rocca

Excused: Senators Hunter and Smith

The Committee on Health Policy reported

Senate Bill No. 975, entitled

A bill to protect religious liberty and rights of conscience in the areas of health care and medical and scientific research as it pertains to employment, education and training, and providing or participating in health care services and to the purchasing of or providing for the purchase of health insurance; to provide immunity from liability; and to prescribe penalties and provide remedies.

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

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

James A. Marleau
Chairperson

To Report Out:

Yeas: Senators Marleau, Robertson, Emmons, Hune, Jones and Schuitmaker

Nays: Senator Warren

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

The Committee on Health Policy reported

House Bill No. 5315, entitled

A bill to amend 1974 PA 258, entitled "Mental health code," by amending section 724 (MCL 330.1724), as amended by 1995 PA 290.

With the recommendation that the bill pass.

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

James A. Marleau
Chairperson

To Report Out:

Yeas: Senators Marleau, Robertson, Emmons, Hune, Jones, Schuitmaker and Warren

Nays: None

The bill was referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Health Policy submitted the following:

Meeting held on Thursday, November 29, 2012, at 2:30 p.m., Senate Hearing Room, Ground Floor, Boji Tower

Present: Senators Marleau (C), Robertson, Emmons, Hune, Jones, Schuitmaker and Warren

Excused: Senator Gleason

COMMITTEE ATTENDANCE REPORT

The Committee on Education submitted the following:

Meeting held on Thursday, November 29, 2012, at 9:19 a.m., Senate Hearing Room, Ground Floor, Boji Tower

Present: Senators Pavlov (C), Emmons, Colbeck, Hopgood and Young

Scheduled Meetings

Appropriations - Wednesday, December 5, 9:00 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-1760)

Subcommittee -

K-12, School Aid, Education and House School Aid Appropriations Subcommittee - Thursday, December 6, 9:00 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-2768)

Economic Development - Wednesday, December 5, 1:30 p.m., Rooms 402 and 403, Capitol Building (373-5323)

Education - Wednesday, December 5, 12:00 noon, Senate Hearing Room, Ground Floor, Boji Tower (373-5314)

Families, Seniors and Human Services - Wednesday, December 5, 3:00 p.m., Room 210, Farnum Building (373-5324)

Judiciary - Wednesday, December 5, 8:30 a.m., Senate Hearing Room, Ground Floor, Boji Tower (373-5323)

Legislative Retirement Board of Trustees - Friday, December 7, 10:30 a.m., Room H-65, Capitol Building (373-0575)

Local Government and Elections - Wednesday, December 5, 3:00 p.m., Senate Hearing Room, Ground Floor, Boji Tower (373-5314)

Natural Resources, Environment and Great Lakes - Thursday, December 6, 8:30 a.m., Senate Hearing Room, Ground Floor, Boji Tower (373-5323)

Outdoor Recreation and Tourism - Wednesday, December 5, 9:00 a.m., Room 405, Capitol Building (373-5323)

Reforms, Restructuring and Reinventing - Wednesday, December 5, 8:30 a.m., Rooms 402 and 403, Capitol Building (373-5307)

Regulatory Reform - Thursday, December 6, 12:30 p.m., Senate Hearing Room, Ground Floor, Boji Tower (373-5314)

Senate Fiscal Agency Board of Governors - Thursday, December 13, 9:00 a.m., Room S-324, Capitol Building (373-2768)

Senator Pavlov moved that the Senate adjourn.
The motion prevailed, the time being 4:28 p.m.

The Assistant President pro tempore, Senator Hansen, declared the Senate adjourned until Wednesday, December 5, 2012, at 10:00 a.m.

CAROL MOREY VIVENTI
Secretary of the Senate