

No. 98
STATE OF MICHIGAN
Journal of the Senate
98th Legislature
REGULAR SESSION OF 2015

Senate Chamber, Lansing, Wednesday, October 28, 2015.

10:00 a.m.

The Senate was called to order by the President, Lieutenant Governor Brian N. Calley.

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

Ananich—present
Bieda—present
Booher—present
Brandenburg—present
Casperson—present
Colbeck—present
Emmons—present
Green—excused
Gregory—present
Hansen—present
Hertel—present
Hildenbrand—present
Hood—present

Hopgood—present
Horn—present
Hune—present
Johnson—present
Jones—present
Knezek—present
Knollenberg—present
Kowall—present
MacGregor—present
Marleau—present
Meekhof—present
Nofs—present
O'Brien—present

Pavlov—present
Proos—present
Robertson—present
Rocca—present
Schmidt—present
Schuitmaker—present
Shirkey—present
Smith—present
Stamas—present
Warren—present
Young—present
Zorn—present

Pastor Paul Weissenborn of Crossroads Community Church of Evart offered the following invocation:

Father God, we come before You this day with grateful and expectant hearts. We acknowledge all You have provided by Your great grace, as we consider the beautiful state in which we live and the wonderful opportunities that have existed throughout our history.

Father, at this time, we ask that You grant Your grace and mercy on the men and women of the Senate. You have gifted them with skills, abilities, and passionate hearts with which they desire to serve for the advancement of this state and its people. We acknowledge there are many and complex needs to work through that impact lives, families, communities, and businesses. Father, I pray for each person here a sense of Your wisdom and Your peace as they yield to Your leading that even though there may be differences of opinion with regard to complex and far-reaching matters, that You grant the ability to work through issues with a spirit of humility, unity, and dependence on You.

Father, I pray for those in our state who are struggling, people who are doing whatever they can to carve out meaning and well-being for themselves and their families. May the decisions made here give them encouragement that their spirits would be lifted up by the actions that are taken here, and may there truly be a sense that all lives really matter, reflecting Your incredible investment in each one.

You have called each man and woman here today. Grant to each a sense of affirmation that they are in the center of Your will as they advance the passion of their hearts, which I know really care deeply for the people of the state of Michigan. Thank You for each one and for their blessing, I pray.

Ephesians 3:20-21: "Now to Him who is able to do far more abundantly beyond all that we ask or think, according to the power that works within us, to Him be the glory in the church and in Christ Jesus to all generations forever and ever. Amen."

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

Motions and Communications

Senator Brandenburg entered the Senate Chamber.

Senator Kowall moved that Senator Green be excused from today's session.
The motion prevailed.

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

Senator Kowall moved that rule 3.902 be suspended to allow the guests of Senator Stamas and Lieutenant Governor Calley admittance to the Senate floor, including the center aisle.

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

Senator Kowall moved that rule 3.901 be suspended to allow photographs to be taken from the Senate floor.
The motion prevailed, a majority of the members serving voting therefor.

Recess

Senator Kowall moved that the Senate recess subject to the call of the Chair.
The motion prevailed, the time being 10:06 a.m.

11:05 a.m.

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

During the recess, Lieutenant Governor Calley and Senator Ananich introduced the Special Olympics World Games athletes, Champion Powerlifter and Volleyball Team, Project Unity Unified Cheer Team, and Coach Sheila Gafney; and presented them with a Special Tribute.

Coach Gafney responded briefly.

During the recess, Senators Gregory, Johnson and Young entered the Senate Chamber.

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

October 28, 2015

I would like Senate Bill 579 re-referred to the Senate Committee on Finance.
If you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,
Arlan Meekhof
30th Senate District
Senate Majority Leader

The communication was referred to the Secretary for record.

The Secretary announced that the following House bill was received in the Senate and filed on Tuesday, October 27:
House Bill No. 4653

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

Senator Kowall 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 MacGregor as Chairperson. After some time spent therein, the Committee arose; and the Assistant President pro tempore, Senator O'Brien, having assumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bills:

House Bill No. 4365, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending section 419 (MCL 208.1419).

Senate Bill No. 540, entitled

A bill to amend 1993 PA 331, entitled "State education tax act," by amending section 5 (MCL 211.905), as amended by 2004 PA 443.

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

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

House Bill No. 4195, entitled

A bill to amend 2003 PA 296, entitled "Michigan early stage venture investment act of 2003," by amending sections 7, 9, 11, 15, 17, 19, 21, 23, and 27 (MCL 125.2237, 125.2239, 125.2241, 125.2245, 125.2247, 125.2249, 125.2251, 125.2253, and 125.2257), section 15 as amended by 2005 PA 102 and sections 17, 19, and 23 as amended by 2007 PA 173.

Substitute (S-1).

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

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

House Bill No. 4196, entitled

A bill to amend 2003 PA 296, entitled "Michigan early stage venture investment act of 2003," by amending section 31 (MCL 125.2261).

Substitute (S-1).

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

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

Senate Bill No. 539, entitled

A bill to amend 2008 PA 549, entitled "Michigan promise zone authority act," by amending the title and sections 5, 7, 9, 11, 17, and 19 (MCL 390.1665, 390.1667, 390.1669, 390.1671, 390.1677, and 390.1679), sections 5, 7, 11, and 17 as amended by 2013 PA 210, and by adding sections 4 and 4a; and to repeal acts and parts of acts.

Substitute (S-2).

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

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

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

- House Bill No. 4362**
- Senate Bill No. 538**
- Senate Bill No. 543**
- Senate Bill No. 544**
- House Bill No. 4134**

The motion prevailed.

The following bill was read a third time:

House Bill No. 4362, entitled

A bill to amend 1969 PA 317, entitled “Worker’s disability compensation act of 1969,” by amending section 611 (MCL 418.611), as amended by 1993 PA 198.

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. 463

Yeas—37

Ananich	Hildenbrand	Kowall	Rocca
Bieda	Hood	MacGregor	Schmidt
Booher	Hopgood	Marleau	Schuitmaker
Brandenburg	Horn	Meekhof	Shirkey
Casperson	Hune	Nofs	Smith
Colbeck	Johnson	O’Brien	Stamas
Emmons	Jones	Pavlov	Warren
Gregory	Knezek	Proos	Young
Hansen	Knollenberg	Robertson	Zorn
Hertel			

Nays—0

Excused—1

Green

Not Voting—0

In The Chair: O’Brien

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

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

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

“An act to revise and consolidate the laws relating to worker’s disability compensation; to increase the administrative efficiency of the adjudicative processes of the worker’s compensation system; to improve the qualifications of the persons having adjudicative functions within the worker’s compensation system; to prescribe certain powers and duties; to create the board of worker’s compensation magistrates and the worker’s compensation appellate commission; to create certain other boards; to provide certain procedures for the resolution of claims, including mediation and arbitration; to prescribe certain benefits for persons suffering a personal injury under the act; to prescribe certain limitations on obtaining benefits under the act; to create, and provide for the transfer of, certain funds; to prescribe certain fees; to prescribe certain remedies and penalties; to repeal certain parts of this act on specific dates; and to repeal certain acts and parts of acts.”.

The Senate agreed to the full title.

The following bill was read a third time:

Senate Bill No. 538, entitled

A bill to amend 1995 PA 29, entitled "Uniform unclaimed property act," by amending sections 2, 30, and 31 (MCL 567.222, 567.250, and 567.251), section 2 as amended by 2008 PA 208, section 30 as amended by 2012 PA 292, and section 31 as amended by 2013 PA 148, and by adding sections 4a and 31b.

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. 464

Yeas—37

Ananich	Hildenbrand	Kowall	Rocca
Bieda	Hood	MacGregor	Schmidt
Booher	Hopgood	Marleau	Schuitmaker
Brandenburg	Horn	Meekhof	Shirkey
Casperson	Hune	Nofs	Smith
Colbeck	Johnson	O'Brien	Stamas
Emmons	Jones	Pavlov	Warren
Gregory	Knezek	Proos	Young
Hansen	Knollenberg	Robertson	Zorn
Hertel			

Nays—0

Excused—1

Green

Not Voting—0

In The Chair: O'Brien

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 543, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 435 (MCL 206.435), as amended by 2013 PA 92.

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. 465

Yeas—37

Ananich	Hildenbrand	Kowall	Rocca
Bieda	Hood	MacGregor	Schmidt
Booher	Hopgood	Marleau	Schuitmaker
Brandenburg	Horn	Meekhof	Shirkey

Casperson	Hune	Nofs	Smith
Colbeck	Johnson	O'Brien	Stamas
Emmons	Jones	Pavlov	Warren
Gregory	Knezek	Proos	Young
Hansen	Knollenberg	Robertson	Zorn
Hertel			

Nays—0

Excused—1

Green

Not Voting—0

In The Chair: O'Brien

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 544, entitled

A bill to amend 2008 PA 525, entitled "Fostering futures scholarship trust fund act," by amending section 9 (MCL 722.1029), as amended by 2014 PA 530.

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. 466

Yeas—37

Ananich	Hildenbrand	Kowall	Rocca
Bieda	Hood	MacGregor	Schmidt
Booher	Hopgood	Marleau	Schuitmaker
Brandenburg	Horn	Meekhof	Shirkey
Casperson	Hune	Nofs	Smith
Colbeck	Johnson	O'Brien	Stamas
Emmons	Jones	Pavlov	Warren
Gregory	Knezek	Proos	Young
Hansen	Knollenberg	Robertson	Zorn
Hertel			

Nays—0

Excused—1

Green

Not Voting—0

In The Chair: O'Brien

The Senate agreed to the title of the bill.

The following bill was read a third time:

House Bill No. 4134, entitled

A bill to amend 1965 PA 290, entitled "Boiler act of 1965," by amending sections 2, 4, and 13d (MCL 408.752, 408.754, and 408.763d), sections 2 and 13d as amended by 2013 PA 167 and section 4 as amended by 2008 PA 159.

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. 467**Yeas—37**

Ananich	Hildenbrand	Kowall	Rocca
Bieda	Hood	MacGregor	Schmidt
Booher	Hopgood	Marleau	Schuitmaker
Brandenburg	Horn	Meekhof	Shirkey
Casperson	Hune	Nofs	Smith
Colbeck	Johnson	O'Brien	Stamas
Emmons	Jones	Pavlov	Warren
Gregory	Knezek	Proos	Young
Hansen	Knollenberg	Robertson	Zorn
Hertel			

Nays—0**Excused—1**

Green

Not Voting—0

In The Chair: O'Brien

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

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

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

"An act to regulate the use, construction, installation, and repair of certain boilers; to create a board of boiler rules; to prescribe uniform rules and regulations for certain boilers; to provide for the licensing of certain boiler inspectors, installers, and repairers and registration of certain boiler operators and stationary engineers; to provide for powers and duties for certain state agencies and officers; to provide fees for registrations, licenses, permits, inspections, and certificates; to provide penalties and remedies for the violation of this act; and to repeal acts and parts of acts,".

The Senate agreed to the full title.

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

The following message from the Governor was received on October 27, 2015, and read:

EXECUTIVE ORDER
No. 2015-13

**Creation of the
State of Michigan Retirement Board**

**State Employees' Retirement System Board
Judges Retirement Board
Military Retirement Provisions**

Executive Reorganization

WHEREAS Article V, Section 1 of the Constitution of the state of Michigan of 1963 vests the executive power in the Governor; and

WHEREAS, Article V, Section 2 of the Constitution of the state of Michigan of 1963 empowers the Governor to make changes in the organization of the Executive Branch or in the assignment of functions among its units which he considers necessary for efficient administration; and

WHEREAS, Article V, Section 8 of the Constitution of the state of Michigan of 1963 provides that each principal department shall be under the supervision of the Governor, unless otherwise provided in the Constitution; and

WHEREAS, there is a continued need to increase collaboration, optimize service delivery, and ensure efficient administration of the state of Michigan's several retirement systems, in accordance with applicable state and federal laws, rules, and regulations; and

WHEREAS, the state of Michigan intends that each of its retirement systems be administered as a qualified pension plan created in trust under section 401 of the Internal Revenue Code, 26 USC 401, that the respective trusts be exempt organizations under Section 501 of the Internal Revenue Code, 26 USC 501, and that they be administered in compliance with the provisions of Section 415 of the Internal Revenue Code, 26 USC 415, and other applicable regulations to fulfill this intent; and

WHEREAS, the State Employees' Retirement System and its board were created under the State Employees' Retirement Act, 1943 PA 240, as amended, MCL 38.1 to 38.69, and its existence and powers were continued under Sections 251 and 254 of 1965 PA 380, as amended, MCL 16.351 and 16.354, to provide a system of pension and retirement benefits for eligible state employees; and

WHEREAS, the Judges Retirement System and its board were established by the Judges Retirement Act of 1992, 1992 PA 234, as amended, MCL 38.2101 to 38.2670, to provide retirement benefits to judges, and also the Governor, Lieutenant Governor, Secretary of State, Attorney General, and Legislative Auditor General; and

WHEREAS, Chapter 7 of the Michigan Military Act, 1967 PA 150, as amended, MCL 32.801 to 32.851, along with the Military Establishment Act, 1909 PA 84, as amended, MCL 32.35 to 32.49d, provides retirement benefits to eligible military personnel; and

WHEREAS, the Department of Technology, Management, and Budget, through its Office of Retirement Services, supervises the state of Michigan's retirement systems and provides budgeting, procurement, and management functions relative to the administration of retirement allowances, pensions, and other retirement benefits payable under the State Employees' Retirement Act, 1943 PA 240, as amended, MCL 38.1 to 38.69, the Judges Retirement Act, 1992 PA 234, as amended MCL 38.2101 to 38.2670, the Michigan Military Act, 1967 PA 150, as amended, MCL 32.501 to 32.851, and the Military Establishment Act, 1909 PA 84, as amended, MCL 32.35 to 32.49d; and

WHEREAS, effective October 1, 2012, the Department of Military and Veterans Affairs transitioned all aspects of management of the Military Retirement Provisions, from initial eligibility and retirement applications to processing pension payments to each retiree and subsequent retirement beneficiaries to the Office of Retirement Services within the Department of Technology, Management, and Budget; and

WHEREAS, the functions, duties and responsibilities of the State Employees' Retirement System, the Judges Retirement System, and the Military Retirement Provisions, respectively, can be carried out more effectively by a new State of Michigan Retirement Board, under the supervision of the Department of Technology, Management, and Budget, through its Office of Retirement Services, which has the expertise to ensure that these functions are accomplished in a coordinated, cost-efficient, and effective manner in accordance with all applicable state and federal regulations;

NOW, THEREFORE, I, Richard D. Snyder, Governor of the state of Michigan, by virtue of the power and authority vested in the Governor by the Michigan Constitution of 1963 and Michigan law, order the following:

I. DEFINITIONS

As used in this Order:

- A. "Board" means the State of Michigan Retirement Board created in Section II of this Order.
- B. "Department" means the principal department of state government created as the Department of Management and Budget by Section 121 of the Management and Budget Act, 1984 PA 431, MCL 18.1121 and renamed as the "Department of Technology, Management, and Budget" pursuant to Executive Order 2009-9, MCL 18.441.
- C. "Department of Military and Veterans Affairs" means the principal department of state government created as the Department of Military Affairs by Section 125 of 1965 PA 380, MCL 16.225, and renamed the "Department of Military and Veterans Affairs" pursuant to Executive Order 1997-7, MCL 32.91.
- D. "Health insurance coverage" means the hospitalization and medical insurance, dental coverage, vision coverage, and any other health care insurance provided in Section 20d of the State Employees' Retirement Act, 1943 PA 240, MCL 38.20d.
- E. "Military member" means a current or former officer or enlisted person, or an adjutant general or assistant adjutant general, who is eligible to be paid a retirement allowance, pension, or other retirement benefit provided under the Michigan Military Act, 1967 PA 150, as amended, MCL 32.501 to 32.851.
- F. "Military Retirement Provisions" means the retirement allowance, pension, or other retirement benefits provided under the Michigan Military Act, 1967 PA 150, as amended, MCL 32.501 to 32.851.
- G. "Retirement Acts" means, collectively, the State Employees' Retirement Act, 1943 PA 240, as amended, MCL 38.1 to 38.69, the Judges Retirement Act of 1992, 1992 PA 234, as amended, MCL 38.2101 to 38.2670, and the Michigan Military Act, 1967 PA 150, as amended, MCL 32.501 to 32.851 or the Military Establishment Act, 1909 PA 84, as amended, MCL 32.35 to 32.49d, as applicable.
- H. "Retirement systems" means the State Employees' Retirement System, created by Section 2 of State Employees' Retirement Act, 1943 PA 240, MCL 38.2, the Judges Retirement System, created by Section 201 of 1992 PA 234, MCL 38.2201, and the Military Retirement Provisions.
- I. "Qualified pension plan" means a pension plan created in trust under Section 401 of the Internal Revenue Code, 26 USC 401.
- J. "State Budget Director" means the individual appointed by the Governor pursuant to Section 321 of the Management and Budget Act, 1984 PA 431, MCL 18.1321.

II. CREATION OF THE STATE OF MICHIGAN RETIREMENT BOARD

- A. The State of Michigan Retirement Board is created within the Department.
- B. The Board shall exercise its powers, duties, and functions independently of the Department, in accordance with the Retirement Acts, the Public Employee Retirement System Investment Act, 1965 PA 314, as amended, MCL 38.1122 to 38.1141, and all other applicable state or federal laws, rules, and regulations. The budgeting, procurement, and related management functions of the Board shall be performed under the direction and supervision of the Department. The Board shall be assisted by personnel of the Department under the direction and supervision of the Director of the Department.
- C. The powers, duties, and functions of the Board are vested in a board of trustees consisting of the following 9 members:
- The Attorney General who may designate one of his or her Assistant Attorneys General to serve as a voting member in the absence of the Attorney General.
 - The State Treasurer who may designate a representative from within the Department to serve as a voting member in the absence of the State Treasurer.
 - The Legislative Auditor General who may designate his or her Deputy to serve as a voting member in the absence of the Legislative Auditor General.
 - The State Personnel Director who may designate an authorized representative to serve as a voting member in the absence of the State Personnel Director.
 - One member or retirant of the State Employees' Retirement System, who shall be appointed by the Governor.
 - One member or retirant of the Judges Retirement System, who shall be appointed by the Governor.
 - One current or former officer or enlisted person in the Michigan Military Establishment who is a member or retirant under the Military Retirement Provisions, who shall be appointed by the Governor.
 - One retirant member of the State Employees' Retirement System, who shall be appointed by the Governor.
 - One member of the general public, who shall be appointed by the Governor.
- D. The appointed members shall serve for a term of four years, except that of the members first appointed, the Governor shall appoint a state employee member for a term of one year, a member or retirant of the Judges Retirement System for a term of two years, and the member or retirant under the Military Retirement Provisions for a term of three years.
- E. Any appointed Board member who fails to attend the scheduled meetings of the Board for two consecutive meetings without valid excuse, as determined by the Board chairperson, shall be considered as having resigned from the Board and the Board shall declare his or her office vacated by way of a resolution, and shall notify the Governor of the vacancy. During their designated term of office, appointed members of the Board serve at the pleasure of the Governor and may

be removed by the Governor as provided in Article V, Section 10 of the State Constitution of 1963. If for any reason a vacancy occurs in the office of an appointed Board member, the Governor shall appoint a replacement who shall serve for the remainder of the unexpired term. Board members shall serve for the duration of their appointed term and shall continue to hold office after the expiration of their term until a successor is appointed.

F. A majority of the members serving on the Board shall constitute a quorum for the transaction of business at a meeting of the Board.

G. The Board shall conduct its business at public meetings in compliance with the Open Meetings Act, 1976 PA 267, MCL 15.261 to 15.275. However, members of the Board may attend and participate in a meeting of the commission by the use of telecommunication or other electronic equipment if their attendance and participation by the use of telecommunication or other electronic equipment is authorized by the bylaws of the Board and that meeting is otherwise conducted in compliance with the Open Meetings Act, 1976 PA 267, MCL 15.261 to 15.275.

H. A writing prepared, owned, used, in the possession of, or retained by the Board in the performance of an official function is subject to the Freedom of Information Act, 1976 PA 442, as amended, MCL 15.231 to 15.246.

I. The members of the Board shall serve without compensation, but may receive reasonable reimbursement for all actual necessary travel and expenses incurred in the performance of their official duties.

J. The Board shall annually elect from its membership a chairperson and a vice-chairperson. A chair or vice-chairperson may be reelected to consecutive terms for those positions without limitation, subject to the expiration of their term of service on the Board. The Department, in consultation with the Board, shall designate an executive secretary, and shall also designate any actuarial, medical, clerical, technical, and administrative personnel as may be necessary for the proper operation of the Retirement Systems.

K. The Board shall act in the best interests of the active and retirant members of the Retirement Systems and shall act in accordance with all applicable laws, rules, and regulations, including all provisions of the Retirement Acts except as modified by this Order.

III. TRANSFER OF FUNCTIONS

A. The administrative statutory powers, duties, functions, and responsibilities concerning retirement allowances, pensions, or other retirement benefits under the Michigan Military Act are transferred to the Board created in Section II of this Order.

B. The authority, powers, duties, functions, responsibilities, and rule-making authority of the State Employees' Retirement System Board are transferred to the Board created in Section II of this Order. The State Employees' Retirement System Board created by Section 2 of the State Employees' Retirement Act, 1943 PA 240, MCL 38.2, is abolished.

C. The authority, powers, duties, functions, responsibilities, and rule-making authority of the Judges Retirement Board are transferred to the Board created in Section II of this Order. The Judges Retirement Board, created by Section 202 of the Judges Retirement Act of 1992, 1992 PA 234, MCL 38.2202, is abolished.

IV. IMPLEMENTATION

A. The Director of the Department, in consultation with the State Treasurer, shall provide executive direction and supervision for the implementation of all transfers of functions under this Order and shall make internal organizational changes as necessary to complete the transfers under this Order.

B. The Department of Military and Veterans Affairs shall provide the Board and the Department with the records, data, and other information as requested by the Office of Retirement Services to ensure that these functions are accomplished in a coordinated, cost-efficient and effective manner.

C. The Board shall administer the Military Retirement Provisions as part of a qualified pension plan created in trust under Section 401 of the Internal Revenue Code, 26 USC 401, in accordance with State Employees' Retirement Act and all plan documents relating to the governance of the same.

D. The Department may establish any fund it deems necessary for the funding and payment of benefits provided to military members under the Michigan Military Act, in accordance with state and federal regulations applicable to qualified governmental plans, including but not limited to the following:

1. A military accumulation fund in which may be accumulated any reserves derived from the money provided for the payment of retirement allowances, pensions, and other retirement benefits payable to military members under the Michigan Military Act and the Military Establishment Act; and

2. A military pension reserve fund from which may be paid all retirement allowances, pensions, and other retirement benefits provided to military members under the Michigan Military Act and the Military Establishment Act.

E. Beginning with the state fiscal year 2016-2017, the Department shall determine a separate contribution rate to be contributed by the state for retirement allowances, pensions, and other retirement benefits payable to military members under the Michigan Military Act and the Military Establishment Act. The amount of the unfunded accrued liability on which the separate contribution rate is determined shall be that amount which the state is legally responsible for and is to be calculated by an actuarial analysis.

F. Beginning with the state fiscal year 2016-2017, the Department shall determine a separate contribution rate for health insurance coverage for eligible military members using an individual projected benefit entry age normal cost method of valuation. The unfunded actuarial accrued liability shall be equal to the actuarial present value of benefits reduced by the actuarial present value of future normal cost contributions and the actuarial value of assets on the valuation date. Except

as otherwise provided in the State Employees' Retirement Act, the unfunded actuarial accrued liability shall be amortized in accordance with generally accepted governmental accounting standards over a period equal to or less than 40 years, with a payment schedule determined by the Department.

G. All funding that is currently being held in a "work project" account, or any similar account, for the payment of retirement allowances, pensions, or other retirement benefits provided to military members under the Michigan Military Act, shall be transferred to an appropriate pension trust account, in accordance with applicable state and federal regulations.

H. The State Budget Director shall determine and authorize the most efficient manner possible for the handling of financial transactions and records in the state's financial management system for the remainder of the current state fiscal year for transfers made under this Order.

V. MISCELLANEOUS

A. All rules, orders, contracts, declaratory rulings, agreements, and other actions relating to the assigned functions lawfully adopted prior to the effective date of the transfers provided herein shall continue to be effective until revised, amended, repealed, or rescinded.

B. Nothing in this Order shall be construed to diminish or impair the accrued financial benefits of a member eligible to receive a pension benefit pursuant to the Retirement Acts.

C. This Order shall not abate any suit, action, or other proceeding lawfully commenced by, against, or before any entity affected under this Order. Any suit, action, or other proceeding may be maintained by, against, or before the appropriate successor of any entity affected under this Order.

D. The invalidity of any portion of this Order shall not affect the validity of the remainder of the Order, which may be given effect without any invalid portion.

E. Any portion of this Order found invalid by a court or other entity with proper jurisdiction shall be severable from the remaining portions of this Order.

In fulfillment of the requirements under Section 2 of Article V of the Michigan Constitution of 1963, this Order shall be effective January 1, 2016.

[SEAL]

Given under my hand and the Great Seal of the state of Michigan this 27th day of October, in the Year of our Lord, Two Thousand Fifteen.

Richard D. Snyder
Governor

By the Governor:
Ruth A. Johnson
Secretary of State

The executive order was referred to the Committee on Government Operations.

By unanimous consent the Senate proceeded to the order of
Resolutions

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

House Concurrent Resolution No. 3

Senate Resolution No. 76

Senate Resolution No. 75

Senate Concurrent Resolution No. 6

Senate Concurrent Resolution No. 8

The motion prevailed.

Senators Bieda, Kowall and Ananich offered the following resolution:

Senate Resolution No. 110.

A resolution to recognize November 10, 2015, as the Second Annual Michigan Auto Heritage Day.

Whereas, Michigan's automotive heritage is preserved and promoted by the MotorCities National Heritage Area Partnership, an affiliate of the National Park Service. National Heritage Areas are places where natural, cultural, historic, and scenic resources combine to form a cohesive, nationally-important landscape arising from patterns of humanity; and

Whereas, The MotorCities National Heritage Area Partnership is Michigan's only National Heritage Area, located throughout a region of more than 10,000 miles covering a population of more than 6 million people. The MotorCities National Heritage Area is the largest concentration of auto-related sites, attractions, and events in the world, bringing millions of visitors and dollars into the state's economy each year; and

Whereas, The goals of the MotorCities National Heritage Area Partnership include providing educational outreach to interpret and communicate the auto and labor story; and acknowledging and recognizing appreciation of an industry deeply woven into Michigan's past, present, and future. In addition, the economic strength of our nation is connected integrally to the vitality of the automobile industry, which employs millions of workers; and

Whereas, The industrial and cultural heritage of the automobile industry in Michigan includes the social history and living cultural traditions of many generations; and

Whereas, The original legislation that created the MotorCities National Heritage Area in 1998 was championed by Congressman John Dingell and Senator Carl Levin, two of Michigan's longest-serving public servants. The MotorCities National Heritage Area has been reauthorized by Congress through 2021, thus supporting continued programs that will preserve and promote auto heritage; and

Whereas, For the second year, Michigan legislators will be invited to participate in the Automotive Caucus for members to exchange ideas and influence policy, including auto heritage; now, therefore, be it

Resolved by the Senate, That the members of this legislative body recognize November 10, 2015, as the Second Annual Michigan Auto Heritage Day; and be it further

Resolved, That a copy of this resolution be transmitted to the MotorCities National Heritage Area Partnership.

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

Senator Kowall moved that the rule be suspended.

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

The resolution was adopted.

Senators Booher, Brandenburg, Emmons, Hansen, Hertel, Hildenbrand, Johnson, Knollenberg, Marleau, Proos, Rocca, Schmidt and Warren were named co-sponsors of the resolution.

Senators Knezek and O'Brien offered the following resolution:

Senate Resolution No. 111.

A resolution to urge the U.S. Department of Defense to approve the Ambit Foundation request for use of facilities at the Selfridge Air National Guard Base to establish a Veterans Care Transition Center.

Whereas, Michigan has one of the largest veteran populations in the nation. Over 650,000 veterans currently reside in the state; and

Whereas, After their service is complete, all veterans still need support. Many of them are injured in the line of duty and return home to face challenges with physical and behavioral health issues. Since 2001, the Department of Veterans Affairs has diagnosed more than 200,000 veterans of the Iraq and Afghanistan wars with post-traumatic stress (PTS) or traumatic brain injuries (TBI). Many of these veterans are in need of rehabilitation services. All veterans are entitled to the best care we can give them; and

Whereas, The Ambit Foundation plans to establish a Veterans Care Transition Center at Selfridge Air National Guard Base to serve veterans with mild to moderate TBI or PTS as they work to re-establish their capacity to live independently and participate fully in their communities. The transition center will provide housing and arrange for continuing rehabilitative care, education, job skills training, employment readiness services, and family support to veterans and their families. The Selfridge site offers a campus-like setting where services can be provided in a familiar and secure environment. Additionally, the use of unused family housing on the base will help restore and preserve a part of Michigan's heritage; and

Whereas, The Ambit Foundation program will bring together a powerful team of Michigan organizations who serve Michigan veterans, including the Eisenhower Center, a premier provider specializing in personalized care for veterans suffering from TBI and behavioral health issues; and Zero-Day, a Lansing-based nonprofit that trains veterans in careers and helps assimilate them back into civilization. Additionally, the Michigan Veterans Affairs Agency and its Veteran Community Action Team will connect the program to a broad range of veteran support providers; and

Whereas, Locating the Veterans Care Transition Center at Selfridge will allow the state and the U.S. Department of Defense (DoD) to take a novel approach to simultaneously meet two related needs: help veterans recover and resume an active, independent role in their Michigan communities, and restore and put to productive use existing Michigan DoD facilities at no cost to Michigan or the DoD; now, therefore, be it

Resolved by the Senate, That we urge the U.S. Department of Defense to approve the Ambit Foundation request for use of facilities at the Selfridge Air National Guard Base to establish a Veterans Care Transition Center; and be it further

Resolved, That copies of this resolution be transmitted to the lease office, Selfridge Air National Guard Base; the Secretary of the Department of Defense; the Secretary of the Department of Veterans Affairs; the Michigan Veterans Affairs Agency; and the members of the Michigan congressional delegation.

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

Senator Kowall moved that the rule be suspended.

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

The question being on the adoption of the resolution,

Senator Kowall moved that the resolution be referred to the Committee on Veterans, Military Affairs and Homeland Security.

The motion prevailed.

Senators Ananich, Bieda, Booher, Brandenburg, Colbeck, Emmons, Hansen, Hertel, Johnson, Knollenberg, Marleau, Proos, Rocca and Schmidt were named co-sponsors of the resolution.

Introduction and Referral of Bills

Senators Marleau, Hildenbrand, Knollenberg, Jones, Emmons, Hune, Smith, Robertson, Booher, Horn, MacGregor, Kowall, Green and Warren introduced

Senate Bill No. 590, entitled

A bill to amend 1978 PA 368, entitled "Public health code," (MCL 333.1101 to 333.25211) by adding part 29.

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

House Bill No. 4653, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 307 (MCL 257.307), as amended by 2015 PA 11.

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 Transportation.

Committee Reports

The Committee on Local Government reported

Senate Bill No. 350, entitled

A bill to amend 1974 PA 57, entitled "An act relating to the sport of racing and carrier pigeons; authorizing the flying of such pigeons; and providing for regulation thereof by cities, villages, townships, and counties," by amending section 2 (MCL 433.352).

With the recommendation that the bill pass.

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

Dale W. Zorn
Chairperson

To Report Out:

Yeas: Senators Zorn, Proos and Young

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Local Government reported

House Bill No. 4039, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending sections 78f and 78i (MCL 211.78f and 211.78i), section 78f as amended by 2003 PA 263 and section 78i as amended by 2006 PA 611, and by adding section 78s.

With the recommendation that the bill pass.

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

Dale W. Zorn
Chairperson

To Report Out:

Yeas: Senators Zorn, Proos and Young

Nays: None

The bill was referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Local Government submitted the following:

Meeting held on Tuesday, October 27, 2015, at 12:30 p.m., Room 100, Farnum Building

Present: Senators Zorn (C), Proos, Rocca and Young

Excused: Senator Brandenburg

The Committee on Judiciary reported

Senate Bill No. 471, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending sections 8123 and 8134 (MCL 600.8123 and 600.8134), section 8123 as amended by 2014 PA 58 and section 8134 as amended by 2014 PA 60.

With the recommendation that the substitute (S-3) be adopted and that the bill then pass.

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

Rick Jones
Chairperson

To Report Out:

Yeas: Senators Jones, Schuitmaker, Rocca, Colbeck and Bieda

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 Judiciary submitted the following:

Meeting held on Tuesday, October 27, 2015, at 3:00 p.m., Room 110, Farnum Building

Present: Senators Jones (C), Schuitmaker, Rocca, Colbeck and Bieda

COMMITTEE ATTENDANCE REPORT

The Committee on Commerce submitted the following:

Meeting held on Wednesday, October 28, 2015, at 8:30 a.m., Room 210, Farnum Building

Present: Senators Schmidt (C), Kowall, MacGregor and Hertel

Excused: Senator Nofs

Scheduled Meetings

Appropriations -

Subcommittee -

Corrections and House Corrections Appropriations Subcommittee - Thursdays, November 5 (CANCELED) and November 12, 8:00 a.m., Harry T. Gast Appropriations Room, 3rd Floor, Capitol Building (373-2768)

Commerce, Economic Development and International Investment, and Transportation - Monday, November 2, 10:15 a.m., Lake Superior State University, Cisler Center, Superior Room, 650 West Easterday Avenue, Sault Ste. Marie (373-5312)

Criminal Justice Policy Commission - Wednesday, November 4, 9:00 a.m., Harry T. Gast Appropriations Room, 3rd Floor, Capitol Building (373-0212)

Economic Development and International Investment, Transportation, and Commerce - Monday, November 2, 10:15 a.m., Lake Superior State University, Cisler Center, Superior Room, 650 West Easterday Avenue, Sault Ste. Marie (373-5312)

Transportation - Thursday, October 29, 8:30 a.m., Room 210, Farnum Building (373-5312)

Transportation, Commerce, and Economic Development and International Investment - Monday, November 2, 10:15 a.m., Lake Superior State University, Cisler Center, Superior Room, 650 West Easterday Avenue, Sault Ste. Marie (373-5312)

Veterans, Military Affairs and Homeland Security - Thursday, October 29, 2:00 p.m., Room 110, Farnum Building (373-5314)

Senator Kowall moved that the Senate adjourn.
The motion prevailed, the time being 11:24 a.m.

The Assistant President pro tempore, Senator O'Brien, declared the Senate adjourned until Thursday, October 29, 2015, at 10:00 a.m.

JEFFREY F. COBB
Secretary of the Senate

