

No. 23
STATE OF MICHIGAN
Journal of the Senate
95th Legislature
REGULAR SESSION OF 2010

Senate Chamber, Lansing, Tuesday, March 16, 2010.

10:00 a.m.

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

The roll was called by the Secretary of the Senate, who announced that a quorum was not present.

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

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

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

Senator Alan L. Cropsey of the 33rd District offered the following invocation:

Dear Lord, we come before You this day. Lord, it's a beautiful day and we thank You for it. We are reminded of the words of the Psalmist, "This is the day that the Lord hath made; we will rejoice and be glad in it."

I pray, Lord, that You will give us wisdom as we deliberate the issues today; Lord, that we would be following Your Holy Spirit; Lord, that we would be kind and gentle to each other; that we would be searching for the way of truth.

We ask this in the name of our Lord and Savior Jesus Christ. Amen.

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

Recess

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

The motion prevailed, the time being 10:03 a.m.

10:49 a.m.

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

During the recess, Senators Whitmer, Hunter, Clarke, McManus, Gilbert, Allen, Jansen, Nofs, Kuipers, Hardiman, Van Woerkom, Kahn, Bishop, George, Jelinek, Stamas, Garcia, Pappageorge, Birkholz and Cassis entered the Senate Chamber.

A quorum of the Senate was present.

Motions and Communications

The following communication was received and read:

Office of the Auditor General

March 10, 2010

Enclosed is a copy of the following audit report:

Financial audit of the Michigan Legislative Retirement System (MLRS) for the period October 1, 2006 through September 30, 2008.

Auditor General

The audit report was referred to the Committee on Government Operations.

The following communication was received:

Legislative Retirement System

March 10, 2010

In accordance with Public Acts 232 and 233 of 2008, the Michigan Sudan and Iran divesture laws, the State of Michigan Legislative Retirement System (LRS) submits the following information to the Michigan Legislature in regard to companies that the LRS may be required to divest from its pension fund due to their activities in Sudan and Iran:

Scrutinized Companies List for Sudan:

Schlumberger Ltd.*

Scrutinized Companies List for Iran:

None

Information regarding Schlumberger Ltd. is attached to this memorandum.

*Schlumberger Ltd. is considered by some entities to have met certain humanitarian requirements within Public Act 233[MCLA 38.1133(c)(1)(q)] to justify its removal as a scrutinized company under PA 233 of 2008. Others disagree; therefore, Schlumberger is listed on the LRS Scrutinized Companies List until its status can be more fully determined.

Christine Hammond
Director

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, March 11:
House Bill Nos. 4379 5405

The Secretary announced that the following official bills were printed on Thursday, March 11, and are available at the legislative website:

Senate Bill Nos. 1218 1219 1220 1222

House Bill Nos. 5938 5939 5940 5941 5942 5943 5944 5945 5946 5947 5948

The Secretary announced that the following official bills were printed on Friday, March 12, and are available at the legislative website:

Senate Bill Nos. 1221 1223 1224 1225 1226 1227

House Bill Nos. 5949 5950 5951 5952 5953 5954

Messages from the House

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

House Bill No. 4514

The motion prevailed.

Senate Bill No. 1001, entitled

A bill to amend 1951 PA 51, entitled "An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts," by amending section 1c (MCL 247.651c), as amended by 1982 PA 438.

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

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

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

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

By unanimous consent the Senate proceeded to the order of

General Orders

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

The motion prevailed, and the President, Lieutenant Governor Cherry, designated Senator Sanborn as Chairperson.

After some time spent therein, the Committee arose; and, the President, Lieutenant Governor Cherry, having resumed the Chair, the Committee reported back to the Senate, favorably and with a substitute therefor, the following bills and joint resolution:

Senate Bill No. 332, entitled

A bill to amend 1915 PA 123, entitled “An act to provide for the recording and use in evidence of affidavits affecting real property; and to provide a penalty for the making of false affidavits,” (MCL 565.451a to 565.453) by adding section 1d. Substitute (S-4).

House Bill No. 4248, entitled

A bill to amend 1943 PA 240, entitled “State employees’ retirement act,” by amending section 68c (MCL 38.68c), as added by 2007 PA 95. Substitute (S-1).

Senate Joint Resolution K, entitled

A joint resolution proposing an amendment to the state constitution of 1963, by adding section 28 to article I, to provide a right to independent health care.

Substitute (S-1).

The question being on concurring in the substitutes recommended by the Committee of the Whole, Senator Cropsey requested the yeas and nays.

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

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

Roll Call No. 115

Yeas—23

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

Nays—15

Barcia	Clark-Coleman	Jacobs	Switalski
Basham	Clarke	Olshove	Thomas
Brater	Gleason	Prusi	Whitmer
Cherry	Hunter	Scott	

Excused—0

Not Voting—0

In The Chair: President

The bills and joint resolution as substituted were placed on the order of Third Reading of Bills.

By unanimous consent the Senate returned to the order of

Third Reading of Bills

Senator Cropsey moved that the rules be suspended and that the following joint resolution, now on the order of Third Reading of Bills, be placed on its immediate adoption:

Senate Joint Resolution K

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

Senator Cropsey moved that the following bills and joint resolution be placed at the head of the Third Reading of Bills calendar:

House Bill No. 5394

Senate Bill No. 26

Senate Bill No. 27

Senate Bill No. 28

Senate Joint Resolution K

The motion prevailed.

The following bill was read a third time:

House Bill No. 5394, entitled

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

The question being on the passage of the bill,

Senator Cropsey moved that further consideration of the bill be postponed for today.

The motion prevailed.

The following bill was read a third time:

Senate Bill No. 26, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 17048 (MCL 333.17048), as amended by 1996 PA 355.

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. 116

Yeas—38

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

Nays—0

Excused—0

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 27, entitled

A bill to amend 1962 PA 192, entitled "Professional service corporation act," by amending sections 2 and 4 (MCL 450.222 and 450.224), section 2 as amended by 1998 PA 48 and section 4 as amended by 2000 PA 335.

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. 117**Yeas—38**

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

Nays—0**Excused—0****Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 28, entitled

A bill to amend 1993 PA 23, entitled “Michigan limited liability company act,” by amending sections 902 and 904 (MCL 450.4902 and 450.4904), section 902 as amended by 1997 PA 52 and section 904 as amended by 2000 PA 333.

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. 118**Yeas—38**

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

Nays—0**Excused—0**

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

The following joint resolution was read a third time:

Senate Joint Resolution K, entitled

A joint resolution proposing an amendment to the state constitution of 1963, by adding section 28 to article I, to provide a right to independent health care.

The question being on the adoption of the joint resolution,

The joint resolution was not adopted, 2/3 of the members serving not voting therefor, as follows:

Roll Call No. 119**Yeas—24**

Allen	Cassis	Jansen	Pappageorge
Anderson	Cropsey	Jelinek	Patterson
Barcia	Garcia	Kahn	Richardville
Birkholz	George	Kuipers	Sanborn
Bishop	Gilbert	McManus	Stamas
Brown	Hardiman	Nofs	Van Woerkom

Nays—14

Basham	Clarke	Olshove	Switalski
Brater	Gleason	Prusi	Thomas
Cherry	Hunter	Scott	Whitmer
Clark-Coleman	Jacobs		

Excused—0**Not Voting—0**

In The Chair: President

Senator Cropsey moved to reconsider the vote by which the joint resolution was not adopted.

The question being on the motion to reconsider,

Senator Cropsey moved that further consideration of the joint resolution be postponed for today.

The motion prevailed.

Protest

Senator Prusi, under his constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of Senate Joint Resolution K.

Senator Prusi's statement is as follows:

It was presented as something very simple—an affirmation or reaffirmation of everyone's right to purchase their own health care. But missing from the debate was which people had the means to purchase their own health care. It sounded

very simple on its face, but I believe underlying this resolution is a lot more complexity and more unforeseen consequences than may have been explained, as we had our brief discussion and debate on the joint resolution.

We all know that there is a tremendous struggle going on in Washington, D.C., around reforming our health care delivery system and the costs, whether spread out across the nation, the individual states, or an individual person seeking to be treated in one of our health care facilities. I think one of the further undiscussed ramifications of this may have been what it could cost the state of Michigan if we are making this statement and trying to contravene what is going on in Washington. That's the potential withholding of Medicaid payments, SCHIP payments, and other health care dollars that flow from Washington to the states.

I think as we considered this in the brief time that we had the opportunity to debate, there were a lot of things left out of the debate. I also further believe that underlying this joint resolution was a lot of cynical politics, and I find it sad that we would use such a critical issue that affects nearly every one of the people we represent here to advance in an election year; cynical politics of fear. While it may sound simple and popular on its face, it has a lot of undisclosed and unforeseen ramifications.

I think the people of Michigan would want us to consider it with a little more clarity and a little more in-depth discussion. For these reasons, I cast a "no" vote.

Senators Jacobs, Kuipers, Clarke and Brown asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Jacobs' statement is as follows:

I rise in opposition to Senate Joint Resolution K. Many times I have come up here and have talked about how careful we have to be when we amend the Constitution. I am scratching my head as to why we, through this joint resolution, would want to handcuff ourselves and our state before we know what is in the bills that we are so fearful about being debated in Washington, D.C., as we speak.

Our constituents expect us to study and analyze bills before we vote on them to make sure we are making the right decisions. If this is not a knee-jerk reaction that is going to come back to bite us, then I don't know what else it is. As a body, we need to be open to solve the huge problems, particularly the health care problems, that this state faces and that our nation faces.

This joint resolution feeds into the fear-mongering that is paralyzing Congress and the Legislature here in Michigan. The irony of all this, as we hear the debate that says the state should be taking care of things themselves, we are not doing that. We have not even passed individual market reform that has been batted around for a couple of years now.

If you take a look at today's *New York Times* article, we have a perfect example of the kind of problem that our state is facing that is being addressed in terms of our Medicaid problems. This article that speaks about what is going on in Flint is pretty representative of things that are happening all over the state. There is a story here of a person whose cancer "returned with a fury last summer, the tumors metastasizing to her brain, liver, kidneys and throat." The article goes on to say that her doctor whom she has been seeing just informed her a few months ago that he would no longer see her because, like a growing number of doctors, he has stopped taking patients with Medicaid. His reimbursements from Medicaid were so low that often receiving no more than \$25 per office visit, he was losing money every time a patient entered his exam room.

The article goes on to talk about states squeezing payments to providers even as the economy fuels explosive growth in enrollment. Patients are finding it increasingly difficult to locate doctors and dentists who accept their coverage, and now, as we all know, many wind up in hospital emergency rooms which are required to take anyone in an urgent condition.

There is another example of someone who lives in the midsection of Michigan who had to skip work to drive her eight-year-old son more than two hours for a five-minute consultation with this child's doctor. The examples go on and on.

We are not doing what we need to be doing here in this state, and there are going to be some significant fixes that will really help us. So why we would want to go and tinker with our Constitution, handcuff us from programmed changes that will positively help and impact all of the people we represent is just wrong.

I would challenge members not to play to what you think may get you votes later on, but to do what is best for this state. This joint resolution is not what is best for this state.

Senator Kuipers' statement is as follows:

Before I begin my remarks on why I think it is important for us as a state to pass Senate Joint Resolution K, let me respond to some comments made by the Senator from the 14th District. She asked why we should be going out on this limb before we know what is in the bill being debated in Congress. The scary part of that statement is that it sounds very similar to a statement made by the Speaker of the House, Speaker Pelosi. She argued that we need to pass this bill so we know what is in it.

Right now, Congress is debating a health care plan that has some 2,700 pages that few people know the details of what is in it. Yet at the end of the day, if they are successful in passing this, it will take over one-sixth of our federal economy.

That should scare us all. How can you resolve a problem when you haven't properly identified which problem you are trying to fix? Some have argued that health care is too expensive. We need to address that. This legislation being debated in Washington certainly doesn't address the cost issues associated with health care.

Some have argued that the problem we are trying to fix is providing insurance for the uninsured. Yet when the debate started, they were talking about a population of people around 42 million. In recent months that number has dropped to 31 million, but as I do the math, they should be talking about a number closer to 7 million. If you take out those who don't want health insurance—again it is a personal right—or take out those who don't think they need it even if they could afford to pay for it on their own, and take out providing health care coverage for illegals, you are talking about a population of not 42 million people, but 7 million. You do not need to take over one-sixth of our nation's economy for 7 million people.

We all know that changes need to be made to the health care delivery system. Some people are being excluded who shouldn't be. But there are other ways to deal with providing health care for those who really want it but can't afford it, rather than taking over the entire health care system. It has been estimated that the potential cost to the state of Michigan would be somewhere around \$700 million. Explain to us where we are going to find those dollars when we currently have a budget deficit of \$1.8 billion.

The numbers don't add up. It is important for this state to join the 38 other states currently debating this resolution and say no. Say no to Washington and those who represent us there who believe that health care is a federal issue. I fundamentally believe that health care is an individual issue, first and foremost, and then a state issue. Keep the federal government out of this massive overhaul of our health care system.

Senator Clarke's statement is as follows:

I oppose this joint resolution because if it is enacted without changing the way we regulate health insurance companies in this state, it will lead to more families going into bankruptcy because of high medical costs. It will also increase the rates for people who are sick, chronically ill, or who could be in good health but are 55 years old or older but too young to qualify for Medicare.

Also if this is passed without changing the way we regulate health insurance here in Michigan, this joint resolution would drive up costs to the taxpayers even more because more and more individuals who rack up high medical bills will have to be forced to go on the tax rolls as Medicaid recipients.

This joint resolution would undermine the whole premise of health insurance. Insurance is set up to spread the risk of those who are in good health with those who are in bad health; to help cover the costs of those who are sick right now with the premiums of those in good health. It also protects those in good health, so once they do get sick, they won't be burdened with the high cost of medical bills or won't be forced to go to an emergency room where you and I as taxpayers have to pay their bills.

Essentially it is this: I oppose this joint resolution because if it were adopted, it would continue the unfairness in the health insurance system in this state which allows commercial health insurers to cherry-pick and cover only those who are in good health, offering them the lowest rate; yet charge those 55 and older and too young to be covered by Medicare the highest rates, which is totally unfair.

I would urge this body to vote this joint resolution down because it could force more families into bankruptcy and end up charging the taxpayers more money to provide more coverage for those who must resort to Medicaid. It would also help to increase the premiums for those who can least afford it.

Senator Brown's statement is as follows:

Senate Joint Resolution K would add—let me back up and just say that the Michigan Constitution begins with the same words as the U.S. Constitution—"We, the people." Senate Joint Resolution K would add to these all-important words a statement affirming the right of every person to provide their own health care, stating clearly that federal law can't compel a person, employer, or health care provider to participate in the health care system. And that no person or employer is to be subject to penalties or fines for paying directly for health care services.

Senate Joint Resolution K is timely and proper. Our founders said eternal vigilance is the price of liberty. "Vigilance" is a strong word, it is a precautionary word, and it is a word that applies and explains the reason for advancing the joint resolution today. I urge members to support Senate Joint Resolution K.

By unanimous consent the Senate proceeded to the order of
Resolutions

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

Senate Resolution No. 41

Senate Resolution No. 75

Senate Resolution No. 88

Senate Concurrent Resolution No. 35

The motion prevailed.

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

Senate Resolution No. 127

The resolution consent calendar was adopted.

Senator Clark-Coleman offered the following resolution:

Senate Resolution No. 127.

A resolution declaring March 17, 2010, as Alpha Kappa Alpha Sorority, Inc., Day at the Capitol.

Whereas, Alpha Kappa Alpha Sorority, Inc., was founded at Howard University in Washington, D.C., on January 15, 1908, and has the distinction of being the first sorority in the world established by African-American women; and

Whereas, Alpha Kappa Alpha Sorority, Inc., has a membership of over 250,000 college-educated women and more than 950 chapters worldwide, including the United States, the Caribbean, Canada, Germany, and Korea; and

Whereas, Alpha Kappa Alpha Sorority, Inc., has a rich 102-year history of spearheading programs and activities in response to the contemporary needs of the African-American community; and

Whereas, Barbara A. McKinzie, the 27th international president of Alpha Kappa Alpha Sorority, Inc., implemented an aggressive 2006-2010 program with the theme "The Heart of E.S.P.: An Extraordinary Service Program," which drew upon the strength and commitment of its members to foster entrepreneurship, economic development, economic growth of the African-American family, technology, and health; and

Whereas, Alpha Kappa Alpha Sorority, Inc., members in Michigan have joined together as sisters and community partners on raising awareness of and advocating on public policy issues that impact their communities; and

Whereas, Michigan Chapters of Alpha Kappa Alpha Sorority, Inc., are recognized for their impressive record of community achievements, civic contributions, and tireless dedication to improving the quality of life for all mankind; and

Whereas, Alpha Kappa Alpha Sorority, Inc., members from around this state will convene for AKA Day at the Capitol to encourage its members to become more knowledgeable and engaged in critical issues facing Michigan; and

Whereas, Alpha Kappa Alpha Sorority, Inc., has earned its place among the most respected organizations in the world; now, therefore, be it

Resolved by the Senate, That we hereby recognize March 17, 2010, as AKA Day at the Capitol celebrating the contributions of Alpha Kappa Alpha Sorority, Inc.; and be it further

Resolved, That copies of this resolution be transmitted to Alpha Kappa Alpha Sorority, Inc., International President Barbara A. McKinzie and Great Lakes Regional Director Schylbea Hopkins with our highest esteem.

Introduction and Referral of Bills

Senators Barcia and Richardville introduced

Senate Bill No. 1228, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 40114 (MCL 324.40114), as amended by 2009 PA 109.

The bill was read a first and second time by title and referred to the Committee on Hunting, Fishing and Outdoor Recreation.

Senators Jelinek and Allen introduced

Senate Bill No. 1229, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," by amending sections 627, 1321, 1322, 1323, 1324, 1325, 1332, and 1333 (MCL 380.627, 380.1321, 380.1322, 380.1323, 380.1324, 380.1325, 380.1332, and 380.1333), section 627 as amended by 1995 PA 289, section 1321 as amended by 2008 PA 1, section 1323 as added by 1986 PA 151, section 1324 as amended by 1994 PA 416, section 1325 as added by 1992 PA 140, and section 1333 as amended by 1989 PA 159, and by adding section 1320.

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

House Bill No. 4379, entitled

A bill to amend 1968 PA 318, entitled "An act to implement the provisions of section 10 of article 4 of the constitution relating to substantial conflicts of interest on the part of members of the legislature and state officers in respect to contracts with the state and the political subdivisions thereof; to provide for penalties for the violation thereof; to repeal all acts and parts of acts in conflict with this act; and to validate certain contracts," (MCL 15.301 to 15.310) by adding section 2a.

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

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

House Bill No. 5405, entitled

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2010; 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.

Statements

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

The motion prevailed.

Senator Scott's statement is as follows:

There is an African proverb that says, "No day dawns like another." I hope today is a different day for the many people across Michigan who are struggling with unfair auto insurance rates. I hope that today is different for all of us here in the Senate, and I hope that today is the day we decide to act on the auto insurance reform bills that have been introduced.

All our constituents would like a new day to dawn with reasonable rates that they could afford to pay. All of our constituents would like a new day to dawn with policy premiums that are based on their driving record and not their address, their credit history, their job, or their education level. No one is trying to avoid buying auto insurance. They are simply calling for affordable auto insurance.

Let's make today the day that we start serious work on auto insurance reforms leading to affordable auto insurance policies.

Senator George's statement is as follows:

Mr. President, I rise in response to statements made last week by some members of this chamber and the mayor of Lansing regarding their proposal to create a state of Michigan bank. In their remarks, the proponents argue that creation of a Bank of Michigan to be modeled after a Bank of North Dakota by borrowing \$150 million and issuing bonds and then making a billion dollars in low-interest loans to students, small businesses, and credit card users would generate \$500 million in profits for Michigan's General Fund. Mr. President, I think that their math is wrong.

It is true that North Dakota has the country's highest per-capita GDP and the lowest unemployment. It is true that North Dakota enjoys a billion-dollar budget surplus, but this is not because it has a state-chartered bank. This is because it has a strong economy based on agriculture, not manufacturing. It is because of this economy that the Bank of North Dakota is profitable, not the other way around.

Moreover, the Bank of North Dakota does not use the FDIC to insure its deposits. Instead, they are insured by the taxpayers of North Dakota who assume the bank's risk. Right now North Dakota's budget surplus is held by the bank and provides a strong capital reserve.

Because Michigan is broke, a Bank of Michigan would have to be capitalized by taking out a loan in the form of selling bonds on the open market. In effect, Wall Street investors would have to loan us the money, and the people of Michigan would be on the hook twice: first for paying off the initial bonds and second for the low-interest, higher-risk loans the bank would be created to make. Our state's financial situation would only be made more precarious by taking out loans to start a bank in order to make even riskier loans that existing banks and credit unions find too unsound to make.

Our current economic crisis was precipitated in part by such behavior. The federal government created lending institutions such as Fannie Mae and Freddie Mac in order to make housing loans traditional banks would not make. And look where it got us. We, our children, and grandchildren are now saddled with billions of dollars of debt left from bailing out these institutions when the mortgages they sold could not be paid for.

The math is wrong because borrowing from one party, Wall Street, at the market rate and then loaning to another party at a discount does not generate a profit. It creates a loss. At best, even if the loans are fully repaid, the people of Michigan will end up subsidizing the difference. Claims that Michigan can make \$500 million in easy money through this type of scheme are simply irresponsible. Unfortunately, they are typical of the budgeting fantasies that have led the federal government and our state to the brink of insolvency.

The problem in Michigan is not that we do not have a state bank. The problem is that our manufacturing-centered economy has collapsed, taking our tax base with it. In order to turn Michigan around, fiscal stability and a sound currency are needed. We need to control runaway health care spending, invest in education, and fix our infrastructure. We cannot afford to throw money away on the latest boondoggle, investment scheme, or get-rich-quick plan.

Do the math again; a state bank does not add up.

Senator Clarke's statement is as follows:

Again, on this issue I did not expect to make any comments, but I do so for one compelling reason. In this state, amongst all the states in the Union, we desperately, desperately need jobs. We should be doing everything possible to do it.

Now those of us in this body, yes, we've got our partisan beliefs, and we have our ideological positions. We need to give those up immediately to put people back to work in this state. There are several ways that we can bring in jobs right now. One of them, and critically is this, small businesses need capital. There are so many businesses throughout the state of Michigan right now that are ready to expand, ready to hire people, but they can't get the financing. We have developers who have already purchased the land and entered into leases to operate new facilities. They are ready to go, but they can't get a construction loan.

This proposed state bank would provide our small businesses with the capital that they need to create jobs now. This works within the market, not against the market. The bank that we are proposing would be a wholesale bank which would support our community banks, which are also small businesses in this state that need help right now. They are on the verge of going under water, but they don't have the money to hire big, high-paid lobbyists in Washington to get them bailed out by Congress.

Let's you and I as taxpayers support our local business people so they can hire more people. This bank will not pose a risk to the taxpayers. The way the Bank of North Dakota operates is that it ends up buying federally-guaranteed loans from community banks. Here is the benefit of that: It frees up more money for the community banks to loan to other businesses.

I urge you to do everything you can possibly do to support our small businesses, and one of the things they need right now is access to capital. Yes, there are other reasons that they don't have access to capital. We need to make our lending and accounting standards that value the collateral that back these loans more flexible. That is what Congress should be doing right now; they aren't. That is one way to do it.

Let's not just blame other people. Let's take action to create jobs—this state bank along with other measures, such as training Michiganders for jobs that are already here right now in the state. Mr. President, every year, there are 12,000 to 13,000 jobs that are good-paying jobs that pay \$50,000, \$60,000—many times over—\$100,000 a year, but Michigan employers can't find anybody in Michigan qualified to be hired into those jobs. There is another way that we can create jobs by training people to fill in those jobs.

So we can train people better. We can ask Washington to provide stimulus dollars that more directly create jobs, but most importantly, let's leverage the \$23 billion a year that we collect in taxes and fees to create jobs right here in Michigan through the market by supporting our community banks, thereby supporting our small businesses that are struggling right now for their very existence. These are businesses that don't have political connections. These business owners have to work around the clock just running their business. They can't hire lobbyists to get bailed out like a big investment bank on Wall Street, but they need our help, and if we help them, they will help our people by hiring more of our people.

Look, no plan is perfect. No plan is ideologically-neutral, but we are in an economic crisis in this state. I urge everyone to consider every possible angle to create jobs. Yes, I believe the government should be able to create jobs. Some of you may think, well, the market should. Let's pursue all of them right now. We need to do this. This state bank is something that has worked for over 100 years at the Bank of North Dakota. The current Republican Governor of North Dakota was a former president of this bank. This works, and it can work here in Michigan.

In closing, we need to do everything possible, Mr. President, to bring jobs in Michigan. We can't say no to any legitimate way to bring in jobs. A Michigan economic development bank is good for business. It is good for our state. It will help support our community banks and provide more jobs and provide them as soon as possible. We need that today.

Committee Reports

The Committee on Campaign and Election Oversight reported

House Bill No. 4382, entitled

A bill to amend 1976 PA 388, entitled "Michigan campaign finance act," (MCL 169.201 to 169.282) by adding section 57a.

With the recommendation that the bill pass.

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

Michelle McManus
Chairperson

To Report Out:

Yeas: Senators McManus, Brown, Jansen, Jacobs and Olshove

Nays: None

The bill was referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Campaign and Election Oversight submitted the following:
Meeting held on Wednesday, March 10, 2010, at 12:00 noon, Room 405, Capitol Building
Present: Senators McManus (C), Brown, Jansen, Jacobs and Olshove

The Committee on Natural Resources and Environmental Affairs reported

Senate Bill No. 1088, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 301 (MCL 324.301), as amended by 2004 PA 587, and by adding section 501b.

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.

Patricia L. Birkholz
Chairperson

To Report Out:

Yeas: Senators Birkholz, Van Woerkom, Basham and Gleason

Nays: None

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

The Committee on Natural Resources and Environmental Affairs reported

Senate Bill No. 1117, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 80163 (MCL 324.80163), as added by 1995 PA 58.

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.

Patricia L. Birkholz
Chairperson

To Report Out:

Yeas: Senators Birkholz, Van Woerkom, Basham and Gleason

Nays: None

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

The Committee on Natural Resources and Environmental Affairs reported

House Bill No. 5752, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 2001, 2005, and 2030 (MCL 324.2001, 324.2005, and 324.2030), as added by 2004 PA 587, and by adding sections 1911 and 2045; 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.

Patricia L. Birkholz
Chairperson

To Report Out:

Yeas: Senators Birkholz, Basham and Gleason

Nays: Senator Van Woerkom

The bill was referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Natural Resources and Environmental Affairs submitted the following:
Meeting held on Wednesday, March 10, 2010, at 1:00 p.m., Room 110, Farnum Building
Present: Senators Birkholz (C), Van Woerkom, Basham and Gleason
Excused: Senator Patterson

The Committee on Finance reported

Senate Bill No. 395, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 24c (MCL 211.24c), as amended by 2003 PA 247.

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.

Nancy Cassis
Chairperson

To Report Out:

Yeas: Senators Cassis, Gilbert, Pappageorge, Jansen, Jacobs, Cherry and Whitmer

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 Finance submitted the following:

Meeting held on Thursday, March 11, 2010, at 11:28 a.m., Room 110, Farnum Building

Present: Senators Cassis (C), Gilbert, Pappageorge, Jansen, Jacobs, Cherry and Whitmer

The Committee on Education reported

Senate Bill No. 751, entitled

A bill to amend 1954 PA 116, entitled "Michigan election law," (MCL 168.1 to 168.992) by adding section 642c.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

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

Wayne Kuipers
Chairperson

To Report Out:

Yeas: Senators Kuipers, Van Woerkom, Cassis and Gleason

Nays: None

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

The Committee on Education reported

Senate Bill No. 752, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," by amending sections 4, 5, and 614 (MCL 380.4, 380.5, and 380.614), section 4 as amended by 2008 PA 1, section 5 as amended by 2005 PA 61, and section 614 as amended by 2004 PA 419.

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.

Wayne Kuipers
Chairperson

To Report Out:

Yeas: Senators Kuipers, Van Woerkom, Cassis and Gleason

Nays: None

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

The Committee on Education reported

Senate Bill No. 753, entitled

A bill to amend 1954 PA 116, entitled "Michigan election law," by amending section 302 (MCL 168.302), as amended by 2005 PA 71.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

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

Wayne Kuipers
Chairperson

To Report Out:

Yeas: Senators Kuipers, Van Woerkom, Cassis and Gleason

Nays: None

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

The Committee on Education reported

Senate Bill No. 754, entitled

A bill to amend 1954 PA 116, entitled "Michigan election law," by amending section 644g (MCL 168.644g), as amended by 2004 PA 293.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

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

Wayne Kuipers
Chairperson

To Report Out:

Yeas: Senators Kuipers, Van Woerkom, Cassis and Gleason

Nays: None

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

The Committee on Education reported

Senate Bill No. 755, entitled

A bill to amend 1954 PA 116, entitled "Michigan election law," by amending section 641 (MCL 168.641), as amended by 2005 PA 71.

With the recommendation that the bill pass.

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

Wayne Kuipers
Chairperson

To Report Out:

Yeas: Senators Kuipers, Van Woerkom, Cassis and Gleason

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Education reported

Senate Bill No. 756, entitled

A bill to amend 1954 PA 116, entitled "Michigan election law," by amending section 312 (MCL 168.312), as amended by 2006 PA 647.

With the recommendation that the bill pass.

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

Wayne Kuipers
Chairperson

To Report Out:

Yeas: Senators Kuipers, Van Woerkom, Cassis and Gleason

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Education reported

House Bill No. 5094, entitled

A bill to amend 1965 PA 203, entitled "Commission on law enforcement standards act," by amending section 10 (MCL 28.610), as amended by 1998 PA 237.

With the recommendation that the bill pass.

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

Wayne Kuipers
Chairperson

To Report Out:

Yeas: Senators Kuipers, Van Woerkom, Cassis and Gleason

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Education reported

House Bill No. 5095, entitled

A bill to amend 1968 PA 330, entitled "Private security business and security alarm act," by amending the title and sections 2, 3, 4, 7, 8, 9, 14, 17, 19, 25, and 29 (MCL 338.1052, 338.1053, 338.1054, 338.1057, 338.1058, 338.1059,

338.1064, 338.1067, 338.1069, 338.1075, and 338.1079), the title and sections 2, 3, 7, 14, 17, 19, and 29 as amended by 2002 PA 473, sections 4 and 8 as amended by 2000 PA 411, and sections 9 and 25 as amended by 2004 PA 270, and by adding sections 6a, 37, 38, 39, 40, 41, and 42.

With the recommendation that the bill pass.

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

Wayne Kuipers
Chairperson

To Report Out:

Yeas: Senators Kuipers, Van Woerkom, Cassis and Gleason

Nays: None

The bill was referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Education submitted the following:

Meeting held on Thursday, March 11, 2010, at 2:30 p.m., Room 210, Farnum Building

Present: Senators Kuipers (C), Van Woerkom, Cassis and Gleason

Excused: Senator Whitmer

COMMITTEE ATTENDANCE REPORT

The Subcommittee on K-12, School Aid, Education submitted the following:

Meeting held on Wednesday, March 10, 2010, at 2:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building

Present: Senators Jelinek (C), Brown, Garcia, Switalski and Clark-Coleman

COMMITTEE ATTENDANCE REPORT

The Subcommittee on Department of Natural Resources submitted the following:

Meeting held on Thursday, March 11, 2010, at 9:00 a.m., Rooms 402 and 403, Capitol Building

Present: Senators McManus (C), Jelinek and Brater

COMMITTEE ATTENDANCE REPORT

The Committee on Energy Policy and Public Utilities submitted the following:

Meeting held on Thursday, March 11, 2010, at 1:00 p.m., Senate Hearing Room, Ground Floor, Boji Tower

Present: Senators Patterson (C), Brown, Birkholz, Kuipers, Richardville, Nofs, Olshove and Clark-Coleman

Excused: Senators Clarke and Thomas

COMMITTEE ATTENDANCE REPORT

The Subcommittee on Higher Education submitted the following:

Meeting held on Thursday, March 11, 2010, at 1:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building

Present: Senators Stamas (C), George, Hardiman, Kahn, Barcia, Anderson and Brater

Scheduled Meetings

Agriculture and Bioeconomy - Thursday, March 18, 8:30 a.m., Room 110, Farnum Building (373-1635)

Appropriations - Wednesday, March 17, 2:00 p.m., and Thursday, March 18, 9:00 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-6960)

Subcommittees -

Capital Outlay - Thursday, March 25, 9:00 a.m., Senate Hearing Room, Ground Floor, Boji Tower (373-2768)

Retirement - Wednesday, March 17, 11:00 a.m. or later immediately following session, Senate Appropriations Room, 3rd Floor, Capitol Building (373-2768)

Economic Development and Regulatory Reform - Wednesday, March 17, 1:00 p.m., Rooms 402 and 403, Capitol Building (373-7670)

Energy Policy and Public Utilities - Thursday, March 18, 1:00 p.m., Senate Hearing Room, Ground Floor, Boji Tower (373-7350)

Finance - Thursday, March 18, 11:00 a.m., Room 110, Farnum Building (373-1758)

Senator Cropsey moved that the Senate adjourn.
The motion prevailed, the time being 11:50 a.m.

The President, Lieutenant Governor Cherry, declared the Senate adjourned until Wednesday, March 17, 2010, at 10:00 a.m.

CAROL MOREY VIVENTI
Secretary of the Senate

