
VETOES

VETOES

July 21, 2005

Michigan House of Representatives
State Capitol
Lansing, Michigan 48909-7514

Ladies and Gentlemen:

Today I have vetoed and return Enrolled House Bill 4275 with my objections, as provided under Section 33 of Article IV of the Michigan Constitution of 1963. The bill relates to the Board of State Canvassers and ballot proposals.

Just this week, all four members of the Board of State Canvassers publicly expressed concerns about alleged fraudulent activity in connection with petitions for a proposed constitutional amendment before the Board. In fact, given the serious nature of the alleged fraud and misrepresentation, a bi-partisan majority of the Board of State Canvassers was unwilling to approve submission of the proposed amendment to Michigan voters.

In light of these pending allegations, I am concerned that Enrolled House Bill 4275 could be interpreted to interfere with the ability of the Board of State Canvassers to canvass petitions, make official declarations on the sufficiency or insufficiency of petitions, hold hearings upon any complaints filed, or conduct investigations of petitions. I also would not want my approval of the bill to be interpreted wrongly as a signal that allegations of fraud or misrepresentation related to the collection of petition signatures should be ignored. I therefore return the bill without signature.

Respectfully,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled House Bill No. 4275, referred to above, is compiled in *Michigan House Enrolled Bills (2005)*.

September 28, 2005

Michigan State Senate
State Capitol Building
Lansing, MI 48909

Ladies and Gentlemen:

Today I have signed Enrolled Senate Bill 272, the fiscal year 2006 General Government budget bill, which provides funding for the departments of Attorney General, Civil Rights, Civil Services, Information Technology, Management and Budget, State, Treasury, the Executive Office, and the Legislature. However, I am returning it to you because of one item of which I disapprove, pursuant to Article V, Section 19, of the Michigan Constitution. The specific items vetoed are contained within the attached copy of the bill that has been filed with the Secretary of State.

Highlights of the bill include:

- \$1.1 billion in revenue sharing grants, which is consistent with both constitutional and statutory payments and maintains support for local revenue sharing at the current year level.

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- An additional \$5.6 million in general fund to the Department of Treasury for a revenue enhancement program that will generate an additional \$34.0 million in new revenues.

My action today includes a veto of the carry forward provision of Section 309 because the language section effectively authorizes general fund spending in excess of the funding target for the Department of Attorney General. It should be noted that Section 307 authorizes the carry forward of up to \$1.0 million in excess revenues in the Department of Attorney General. Due to the need for continued fiscal restraint, it is my intent to carry forward no more than \$250,000.

There are two provisions contained in this bill that are unenforceable. Section 220 as it relates to the Civil Service Commission, conflicts with Article 5 Section XI of the Michigan Constitution of 1963 and is, therefore, unenforceable. Section 803 deposits look-up fee revenue from the sale of Department of State records into the Transportation Administration Collection Fund. This language is not enforceable because it attempts to amend several other laws without republication, in violation of Section 25 of Article IV of the Michigan Constitution of 1963. Similar language was deemed unenforceable in 2005 PA 109.

This action completes the Fiscal Year 2006 General Government appropriations and assures continuation of essential state services. I commend the Legislature for its prompt action and cooperation in completing this budget.

Sincerely,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled Senate Bill No. 272, referred to above, became 2005 PA 146.

September 28, 2005

Michigan House of Representatives
State Capitol Building
Lansing, MI 48909

Ladies and Gentlemen:

Today I have signed Enrolled Senate Bill 271, the fiscal year 2006 appropriation for the Department of Human Services (DHS). However, I am returning it to you because of an item of which I disapprove, pursuant to Article V, Section 19, of the Michigan Constitution. The specific item vetoed is contained within the attached copy of the bill, which has been filed with the Secretary of State.

This bill appropriates over \$4.4 billion, an amount that represents a significant commitment to the safety, well-being, independence, and permanency of Michigan's children and families. Highlights of the bill include:

- Full funding of projected caseloads and costs for critical family support programs including the Family Independence Program (\$392.1 million), State Disability Assistance Program (\$34.6 million), and Child Day Care Services (\$465.4 million).
- A commitment of current and new resources to support development of an integrated service delivery system that will reduce the workload for overburdened staff and increase efficiency and effectiveness.
- The appropriation of nearly \$607 million for the Foster Care, Child Care Fund, and Adoption Subsidies programs to provide children with caring families and safe homes.
- A \$119.3 million increase in the Food Assistance Program, bringing the total appropriation to \$1.2 billion.

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My action today vetoes Subsection (3) of Section 423, which requires the Department of Human Services to allocate a total of \$50,000 for food stamp error rate reduction projects in Muskegon County and Kent County. I do not support this provision due to the fact that DHS and the federal government have completed an extensive food stamp reinvestment plan development and approval process and these projects deviate from the approved plan.

Finally, I note Section 273 attempts to impose various specific limitations on the rulemaking authority of the Department. To the extent that Section 273 attempts to alter or restrict the rulemaking authority currently vested in the Department by substantive statutes including 1939 PA 280, MCL 400.6; 1979 PA 218, MCL 400.710; and 1973 PA 116, MCL 722.112, it is an amendment by reference in violation of Const 1963, art 4, § 25, as well as a violation of the title-object clause of Const 1963, art 4, § 24, and is unenforceable.

While I have found it necessary to make a modification to the bill you sent me, I have concurred with most of your appropriation actions. I am pleased that the Legislature responsibly met targeted funding levels while protecting key DHS programs and initiatives. I appreciate the Legislature's cooperation in the development of a particularly difficult budget and your effort to focus on preserving the services that matter most to Michigan's citizens.

Sincerely,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled Senate Bill No. 271, referred to above, became 2005 PA 147.

September 28, 2005

Michigan Senate
State Capitol Building
Lansing, MI 48933

Ladies and Gentlemen:

Today I have signed Enrolled Senate Bill 264, the fiscal year 2006 appropriations bill for the Department of Agriculture. My action today:

- Provides \$19.7 million in funding to support food safety responsibilities of the Department of Agriculture.
- Includes federal funding of \$23.7 million for the Emerald Ash borer control program for survey and eradication activities in southeast Michigan and other areas in the state.
- Provides \$3.2 million in refined petroleum funds in support of consumer protection program efforts.
- Contains \$5.7 million to continue the state's efforts to contain the spread of bovine tuberculosis in Michigan.

I have vetoed language section 816, which provides \$20,000 for CANTER (Communication Alliance to Network Thoroughbred Ex-Racehorses), because this is not part of the core functions of this department.

This bill supports the essential operations of the Department of Agriculture. I commend the Legislature for its work on this budget.

Sincerely,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled Senate Bill No. 264, referred to above, became 2005 PA 148.

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September 29, 2005

Michigan State Senate
State Capitol Building
Lansing, MI 48909

Ladies and Gentlemen:

Today I have signed Enrolled Senate Bill 274, the fiscal year 2006 appropriation bill for the Department of History, Arts and Libraries. However, I am returning it to you because of several items of which I disapprove, pursuant to Article V, Section 19, of the Michigan Constitution. The specific vetoes are contained in the attached copy of the bill, which has been filed with the Secretary of State.

This bill provides \$53 million (\$41 million general fund) to preserve Michigan's history and historic treasures, provide the very best in state-of-the-art library technology and services, and promote creativity in the arts and cultural disciplines.

I am disappointed that the Legislature chose to reduce payments to state libraries and arts and cultural institutions, that impact all the citizens of our State, in order to support projects of limited scope and benefit. For that reason I am vetoing four items and recommending that the Legislature use the available funding to restore State aid to libraries and arts and cultural grants equally. The vetoed items are as follows:

- Grants to state and local historical societies: \$100,000
- Michigan History Day: \$25,000
- Lighthouse preservation grants: \$25,000
- Preservation and Access for Michigan project: \$481,800

I also recommend the Legislature acknowledge the work of the Mackinac Island State Park Commission in identifying \$200,000 available from increased fees that could be used to offset general fund. The \$200,000 could be used to restore aid to state libraries and arts grants.

I note with interest the Legislature's expressed intent to explore supplemental funding options for the Department of History, Arts and Libraries.

Sincerely,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled Senate Bill No. 274, referred to above, became 2005 PA 157.

September 30, 2005

Michigan House of Representatives
State Capitol Building
Lansing, Michigan 48909

Ladies and Gentlemen:

Today I have signed Enrolled House Bill 4831, which contains fiscal year 2006 appropriations for Community Colleges, Higher Education, and the departments of Community Health, Corrections, Education, Environmental Quality and Natural Resources. I am, however, returning it to you because of several items of which I disapprove, pursuant to Article V, Section 19 of the Michigan Constitution of 1963. The specific vetoes are contained in the attached copy of the bill, which has been filed with the Secretary of State.

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I have vetoed funding for the Michigan youth correctional facility, along with five related language sections, because this costly facility is not needed (Article 4 of the bill). This facility was originally constructed to house violent young offenders but the need for a separate facility for this purpose has never materialized. As the Legislative Auditor General has pointed out, far less expensive prison beds can be used to house young offenders at great savings to the taxpayers of the state.

I have vetoed a grant to the Legislative Council (Article 4 of the bill), which is intended to pay for a sole source contract, managed by the Auditor General, using financial resources appropriated to the Department of Corrections.

My action vetoes \$350,000 in funding for a contract to create reports contained in Section 1001 (Article 5 of the bill). The section is written so as to clearly earmark the contract for the reporting service to a specific private sector vendor. During these tight budget times, we must be especially vigilant when appropriating scarce general fund dollars. I encourage the Department of Education to identify other ways to assist local school districts with these efforts.

My action today also vetoes funding for Little Black Creek and White Lake, Muskegon County nutrient study (Article 6 of the bill) because those cleanup projects should be considered through the regular site assessment process.

Lastly, I believe that two language sections contained in Article 6 of the bill (Sections 801 and 903) are unenforceable because they attempt to amend the Public Act 451 of 1994 by reference.

I thank the Legislature for its work on this important, multi-agency budget bill.

Sincerely,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled House Bill No. 4831, referred to above, became 2005 PA 154.

September 30, 2005

Michigan House of Representatives
State Capitol Building
Lansing, Michigan 48909

Ladies and Gentlemen:

Today I have signed Enrolled House Bill 4887, the school aid budget for fiscal year 2006. However, I am returning it to you because of one item of which I disapprove, pursuant to Article V, Section 19, of the Michigan Constitution. The specific veto is contained in the attached copy of the bill, which has been filed with the Secretary of State.

Enrolled House Bill 4887 appropriates nearly \$12.8 billion for fiscal year 2006 to support K-12 education in Michigan - \$11.4 billion in state funds and \$1.4 billion in federal funds. This represents an increase of \$290.3 million, or 2.3%, over fiscal year 2005 spending.

This budget demonstrates that education remains Michigan's top priority. We have increased the minimum per-pupil foundation allowance for school operating purposes by \$175 per pupil to \$6,875. We have maintained state funding for academically at-risk children at \$314.2 million, school readiness preschool grants at \$72.8 million, and have continued our commitment to early literacy programs by appropriating \$3.3 million for Great Parents, Great Start. This budget also provides over \$950 million in state funding for special education programs.

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The bill contains a new provision appropriating an amount not to exceed \$250,000 to establish a lending library at Central Michigan University to provide special needs assessment tools to districts and ISDs. I have directed the department to assess whether the program will be beneficial to districts, and if so, determine the appropriate level of funding needed to implement it.

I have vetoed \$250,000 in state funds for the administration of the Freedom to Learn Program and for the creation of an independent institute at Ferris State University. The department has indicated that administrative costs can be covered with federal funds and/or with funding from Ferris State University; therefore, I am vetoing the state funds in this section.

I thank the Legislature for their hard work on behalf of Michigan's children.

Sincerely,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled House Bill No. 4887, referred to above, became 2005 PA 155.

September 30, 2005

Michigan State Senate
State Capitol
Lansing, MI 48909

Dear Legislators:

Today I have signed Enrolled Senate Bill 281, the FY 2006 appropriations bill for the Department of Transportation. However, I am returning it to you because of items of which I disapprove pursuant to Article V, Section 19, of the Michigan Constitution. The specific vetoes are contained in the attached copy of this bill, which has been filed with the Secretary of State.

This bill provides \$3.4 billion for rebuilding, repair and maintenance of Michigan's roads and bridges, as well as key intermodal and public transportation programs. My action today:

- Provides over \$2.6 billion in road and bridge construction funds to the Department of Transportation and local road agencies for the preservation, repair, and maintenance of Michigan's transportation network.
- Provides over \$274.6 million for public transit programs, including \$177.9 million for bus operating assistance grants to local transit agencies.

However, I have vetoed Sections 363, 617, 621, 622, 623, 624, 625, 633, 636, 637, 638, 641, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 728, and 738 that contain special interest projects. The inclusion of this type of parochial earmarking undermines the Constitutional and statutory responsibilities of the State Transportation Commission. State and local road projects should be evaluated and programmed by transportation experts based on a consistent and objective assessment of need. To avoid delays in any projects already slated to begin, I am recommending an immediate supplemental appropriations bill to restore these vetoed funds, but without earmarking.

There are also several provisions contained in this bill that are unconstitutional, and, therefore unenforceable for the reasons specified below:

1. Sec 365 prohibits expenditures for development of design plans or construction of Alternatives 5, as identified in the US-131 improvements study. This provision violates federal statute, which requires that alternatives must be selected using criteria

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- of the federal National Environmental Policy Act. As a result, this provision is unenforceable if federal funds are to be used for this project.
2. Section 401 requires legislative approval of federal aid distributions within 30 days after the Department of Transportation receives authorization to commit such funds or they are disapproved. This section violates the separation of powers doctrine in Article III, Section 2 of the 1963 Constitution of the State of Michigan.
 3. Section 628 prohibits the use of funds to transfer investment management functions from the Mackinac Bridge Authority to the State Treasurer. These provisions were declared to be in violation of Article IV, Section 25 of the 1963 Constitution of the State of Michigan in Attorney General Opinion No. 7179.
 4. Section 707(2) relating to the Detroit Transportation Corporation is unenforceable as it attempts to amend by reference 1951 PA 51, MCL 247.660e, as amended. The first sentence in Section 707(3) is unenforceable as it places a condition on funds that are not included in Enrolled Senate Bill 281. The second sentence in Section 707(3) is also unenforceable as it attempts to address more than one title/object in violation of Article IV, Section 24 of the 1963 Constitution of the State of Michigan.
 5. Section 370(2), 710, 732(5), and 732(6) include withholding provisions that are unenforceable as they attempt to amend by reference 1951 PA 51, MCL 247.664, as amended. Since Section 732 addresses an important public policy issue, I have directed the Department of Transportation to develop and implement policies and procedures ensuring accessibility to public transportation for all citizens by requiring lifts on transit vehicles be adequately maintained and operable.

As noted by my actions, I am very disappointed with this bill as put forth by the Legislature. The number of special interest projects earmarked is unacceptable. This budget bill also leaves over \$1 million in economic development funds unappropriated at a time when job creation efforts and securing private investment are critical. In addition, the Legislature has arbitrarily cut administrative funding for key departmental programs, as well as operational support for Amtrak that could endanger passenger rail services and potential new jobs here in Michigan. I urge the Legislature to act immediately to adopt a supplemental appropriations bill that will restore the aforementioned cuts, and the vetoed road funding without the special interest earmarking so those projects slated to commence in fiscal year 2006 may do so without delay. Our work together on this budget bill is not yet complete.

Sincerely,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled Senate Bill No. 281, referred to above, became 2005 PA 158.

November 17, 2005

Michigan Senate
State Capitol
Lansing, MI 48909-7536
Ladies and Gentlemen:

Today I return Enrolled Senate Bill 175 with my objections, as provided under Section 33 of Article IV of the Michigan Constitution of 1963.

Proponents assert that Senate Bill 175 would authorize tax abatements needed to address competitive disadvantages faced by Michigan communities near the Indiana border

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seeking to attract commercial warehousing and distribution centers. However, the provisions of the bill go well beyond that stated purpose. A tax abatement can be an appropriate tool when targeted to foster the activity sought and if other options are not effective. Unfortunately, the tax abatements for businesses that would be authorized under Senate Bill 175 fail that test.

As Governor I have not hesitated to support tax credits, exemptions, and abatements focused on providing incentives for the creation and retention of good paying jobs that give the residents of this state a fair opportunity to prosper. Just within the last two months I have approved Public Acts 118 and 185 of 2005—new laws offering targeted and aggressive assistance for providers of high quality jobs.

Senate Bill 175, in marked contrast, through the use undefined terminology and an overbroad application of abatements, represents an unfocused and fiscally undisciplined approach. Additionally, no immediate tax benefits would be provided under the bill as votes in the Michigan Senate were not sufficient to grant immediate effect.

While I support targeted incentives squarely aimed at addressing a competitive disadvantage faced by Michigan businesses, I cannot approve Enrolled Senate Bill 175. Prior to presentation of this bill, Senate leadership had indicated its willingness to pass a better version of Senate Bill 175 that was specific, targeted, and endorsed by local officials. The Legislature balked. Pass a new bill consistent with the earlier and better version of Senate Bill 175 and I will sign the bill.

Respectfully,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled Senate Bill No. 175, referred to above, is compiled in *Michigan Senate Enrolled Bills (2005)*.

November 21, 2005

Michigan House of Representatives
State Capitol
Lansing, Michigan 48909-7514

Ladies and Gentlemen:

Late last week I was presented 25 bills authorizing investments in new technologies and providing tax incentives for expanded business activity—legislation aimed at diversifying Michigan's economy and creating and retaining high-quality jobs for the people of our great state. Today I have approved 23 of the bills and my administration immediately will begin implementing many key components of the legislative package.

These new laws will enable the creation of new jobs and the investment of as much as \$2 billion in the development of new technologies such as life sciences, alternative energy, and advanced manufacturing that will drive Michigan's economy into the future. We will unleash new incentives for private venture capital investments to grow businesses of the future here in our state and encourage investors to reinvest their returns in early stage businesses in Michigan. Businesses seeking to grow in our state will find easier access to capital and lower business formation costs. We also will fast track the process for the filing of corporate documents, cutting red tape for job providers.

Additionally, I have approved several bills providing tax incentives for businesses to locate and grow in Michigan and to create and retain jobs for Michigan residents. The tax

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bills approved generally are consistent with the bipartisan agreement I announced with the Speaker of the House of Representatives and the Senate Majority Leader this month.

Unfortunately, while the Legislature accomplished much with this package of legislation, your actions fall short of implementing the announced agreement. Several changes in tax policy that your leadership agreed to change either were not included in the package or were not changed as agreed. Two bills in particular, Enrolled House Bill 5096 and Enrolled House Bill 5107, are not consistent with the agreement and create bigger tax loopholes rather than closing them. Accordingly, I have not approved the bills and return them to you without signature, as provided under Section 33 of Article IV of the Michigan Constitution. House Bill 5096 fails to properly close a judicially-created tax loophole relating to commercial rental property. House Bill 5107 includes badly flawed language that could substantially jeopardize the collection of Michigan's use tax.

I urge you to take action quickly to correct these deficiencies and fully implement the bipartisan leadership agreement so that the tax incentives previously negotiated, agreed, and announced will become effective and further benefit Michigan's economy.

Respectfully,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled House Bill Nos. 5096 and 5107, referred to above, are compiled in *Michigan House Enrolled Bills (2005)*.

November 21, 2005

Michigan House of Representatives
State Capitol
Lansing, Michigan 48909-7514

Ladies and Gentlemen:

Today I have approved and signed Enrolled House Bill 5047. The bill amends the Michigan Strategic Fund Act and makes appropriations for Fiscal Year 2006. However, I write to advise you that I have disapproved two distinct items in the bill pursuant to Section 19 of Article V of the Michigan Constitution of 1963. The specific item vetoes are detailed in the attached copy of the bill, which has been filed with the Secretary of State.

This legislation represents a \$400 million initial down payment on the diversification of Michigan's economy and the creation of good paying jobs for residents of this state.

My action on this bill also includes item vetoes of the following legislative earmarks not part of the agreement I announced with your leadership earlier this month that subsequently were added to Section 88J of the bill by the House of Representatives:

- \$ 5 million for specialty crop grants and loans; and
- \$ 1 million for a "core technology alliance".

I commend the Legislature for its action in approving this vital investment in securing Michigan's future.

Respectfully,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled House Bill No. 5047, referred to above, became 2005 PA 225.

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December 20, 2005

Michigan State Senate
State Capitol
Lansing, MI 48909

Dear Legislators:

Today I have signed Enrolled Senate Bill 236, a bill containing fiscal year 2006 appropriations for capital outlay, and fiscal year 2005 and 2006 supplemental appropriations for various state departments and agencies. However, I am returning it to you because of items of which I disapprove pursuant to Article V, Section 19, of the Michigan Constitution. The specific vetoes are contained in the attached copy of this bill, which has been filed with the Secretary of State.

This bill authorizes over \$500 million for capital construction, facility preservation, infrastructure improvement, and acquisition projects for institutions of higher education, state agencies, local units of government and non-profit organizations, as well as, supplemental appropriations totaling \$3.6 million for various state departments and agencies. My action today:

- Authorizes \$198 million for construction of 17 university and community college projects, and \$70 million for state facility preservation projects as part of my Jobs Today Initiative.
- Provides \$32 million for improvements to state parks, forest, recreational boating facilities, and farmland and open space preservation, and \$24 million for improvements to military affairs facilities, including \$19 million for new company headquarters buildings at Camp Grayling.
- Provides \$158 million for airport safety and protection plan projects at local aviation facilities, and \$3 million for construction of a new Transportation Service Center in Cadillac that will be co-located with the Cadillac/Wexford Transit Authority.

My actions also include the veto of Section 1651 and the re-appropriation of public safety grants for security at the 2005 All-Star and 2006 Super Bowl games. This veto allows the original appropriation in Public Act 200 of 2005 for this purpose to stand without the earmark to specific counties. I have also vetoed Section 1751 and the site assessment appropriations for Little Black Creek in Muskegon, as the earmark again attempts to fund environmental remediation and redevelopment activities outside of the standard assessment process.

I thank the Legislature for its work on this important budget bill. The investment made in these projects will create jobs and provide economic stimulus across the state.

Sincerely,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled Senate Bill No. 236, referred to above, became 2005 PA 297.

December 27, 2005

Michigan House of Representatives
State Capitol
Lansing, Michigan 48909-7514

Ladies and Gentlemen:

Today I have vetoed and return without signature Enrolled House Bill 4617. I cannot approve this legislation because the bill would slow economic redevelopment, place our valuable natural resources at additional risk from contamination, and eliminate critical

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protections for public health. Rather than protecting property owners, residents, and their environment, the bill would:

- Hinder the state's ability to respond to all significant risks to public health and the environment;
- Increase the costs and slow the pace of environmental cleanup and redevelopment activity by mandating unnecessary testing, prolonging uncertainty;
- Create opportunities for polluters to delay cleaning up the contamination they cause, while increasing the burden on the state;
- Provide polluters inappropriate protections, allowing them to avoid responsibility for cleaning-up environmental contamination; and
- Limit critical information homeowners, renters, and others need about environmental contamination.

In addition to these deficiencies, House Bill 4617 is poorly drafted, containing incomplete citations to administrative rules. These technical problems were identified by the Department of Environmental Quality yet were ignored during the legislative process. These technical omissions have consequences. By referencing the incorrect rules, this legislation would foreclose the ability of the state to protect surface water from contamination, increasing health risks for homeowners and Michigan's environment.

While I have vetoed this legislation, I want it to be clear that I share the concerns of many about the Department of Environmental Quality's handling of remediation efforts relating to dioxin in Midland and along the Tittabawassee River. Action taken already this year significantly narrows the scope and number of homes affected by the contamination, and more clearly outlines protections for homeowners, including the ability to influence the scientific process the Department of Environmental Quality uses in making determinations about the levels and scope of environmental contamination. I also am supportive of further changes to improve the process followed by the Department of Environmental Quality, including enhanced opportunities for potentially affected homeowners to provide data.

Michigan homeowners deserve protections for their investments, but changes in Michigan law that threaten the protection of public health and the environment under the guise of homeowner fairness are not acceptable. I have instructed the Department of Environmental Quality to work with you in crafting legislation that strikes an appropriate balance. House Bill 4617 does not. An excellent starting point for discussion on revised legislation would be the compromise substitute bill offered but never considered during the legislative process. The final product should include a meaningful opportunity for homeowners to present information regarding their property without sacrificing necessary protections for public health and the environment.

Respectfully,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled House Bill No. 4617, referred to above, is compiled in *Michigan House Enrolled Bills (2005)*.

December 27, 2005

Michigan Senate
State Capitol
Lansing, MI 48909-7536
Ladies and Gentlemen:

Today I return Enrolled Senate Bills 892 and 893 with my objections, as provided under Section 33 of Article IV of the Michigan Constitution of 1963. As part of a legislative

package that attempts to fundamentally change Michigan's welfare system, the bills contain some good features, but also have serious flaws that would undermine the very reforms sought.

I believe that Michigan's welfare system should help individuals gain financial independence so they can contribute to the growth of Michigan's economy. Just as I believe that we have a moral obligation to provide a safety net for our most vulnerable fellow citizens, I also believe welfare recipients should work to gain the education and skills needed to make it on their own. Therefore, I support limits for able-bodied people with no barriers to self-sufficiency.

This legislative package, however, goes too far. As passed, the package would impose a lifetime 48-month limit on benefits, even for those who comply with work and training requirements but still don't earn enough money to escape poverty. The 74,000 families receiving cash assistance today, including 157,000 children, are among the poorest of the poor in our society. They have significant barriers to work, be they mental or physical disabilities, children in dire poverty, or other immediately insurmountable barriers. The very limited support these fragile citizens receive from the state is equivalent to 36% of the poverty level for a family of three—or a mere \$5,500 per year. For most people in Michigan, that support would not even pay for a partial year's rent, much less any other basic necessities of life. The current stipend has not been raised for over a decade. I simply will not sign a bill that will have the effect of forcing families with children into utter economic desperation or homelessness. This package is a far cry from being either pro-family, pro-child, or even "compassionately conservative."

While I support strengthening sanctions for those who do not comply with work and training requirements, the penalties this legislative package would impose are too severe—24 times more severe than penalties under current law. I have supported increasing the ineligibility period for noncompliance, but the sanctions in this package are too extreme, especially at a time when our economy is already challenged.

I have separately signed into law two other bills in this legislative package, Enrolled Senate SB 894 and House Bill 5442, which provide for time lines for developing a recipient's family self-sufficiency plan and for studying the impact of other potential changes in the law.

My administration has put in countless hours working with the Legislature to craft a tough, fair, and compassionate welfare reform package that rewards work, trains people for jobs, and protects our poorest and most vulnerable citizens. Unfortunately, these bills do not meet that standard. However, I remain willing to work with you to enact legislation that is both firm and compassionate.

Because several sections of current law expire on December 31st of this year, I applaud the Michigan Senate for its approval of Senate Bill 757, with immediate effect. I have called on the House of Representatives to quickly approve the bill as it is currently on the House floor awaiting final approval. If quickly enacted, Senate Bill 757 will extend the expiration date of key provisions of The Social Welfare Act and avoid needless confusion and expense.

Respectfully,
Jennifer M. Granholm
Governor

December 27, 2005

Michigan House of Representatives
State Capitol
Lansing, Michigan 48909-7514

Ladies and Gentlemen:

Today I return Enrolled House Bills 5438, 5439, 5440, and 5441 with my objections, as provided under Section 33 of Article IV of the Michigan Constitution of 1963. As part of a legislative package that attempts to fundamentally change Michigan's welfare system, the bills contain some good features, but also have serious flaws that would undermine the very reforms sought.

I believe that Michigan's welfare system should help individuals gain financial independence so they can contribute to the growth of Michigan's economy. Just as I believe that we have a moral obligation to provide a safety net for our most vulnerable fellow citizens, I also believe welfare recipients should work to gain the education and skills needed to make it on their own. Therefore, I support limits for able-bodied people with no barriers to self-sufficiency.

This legislative package, however, goes too far. As passed, the package would impose a lifetime 48-month limit on benefits, even for those who comply with work and training requirements but still don't earn enough money to escape poverty. The 74,000 families receiving cash assistance today, including 157,000 children, are among the poorest of the poor in our society. They have significant barriers to work, be they mental or physical disabilities, children in dire poverty, or other immediately insurmountable barriers. The very limited support these fragile citizens receive from the state is equivalent to 36% of the poverty level for a family of three—or a mere \$5,500 per year. For most people in Michigan, that support would not even pay for a partial year's rent, much less any other basic necessities of life. The current stipend has not been raised for over a decade. I simply will not sign a bill that will have the effect of forcing families with children into utter economic desperation or homelessness. This package is a far cry from being either pro-family, pro-child, or even "compassionately conservative."

While I support strengthening sanctions for those who do not comply with work and training requirements, the penalties this legislative package would impose are too severe—24 times more severe than penalties under current law. I have supported increasing the ineligibility period for noncompliance, but the sanctions in this package are too extreme, especially at a time when our economy is already challenged.

I have separately signed into law two other bills in this legislative package, Enrolled Senate SB 894 and House Bill 5442, which provide for time lines for developing a recipient's family self-sufficiency plan and for studying the impact of other potential changes in the law.

My administration has put in countless hours working with the Legislature to craft a tough, fair, and compassionate welfare reform package that rewards work, trains people for jobs, and protects our poorest and most vulnerable citizens. Unfortunately, these bills do not meet that standard. However, I remain willing to work with you to enact legislation that is both firm and compassionate.

Because several sections of current law expire on December 31st of this year, I call on the House of Representatives to quickly approve Senate Bill 757, already passed by the Senate with immediate effect. The bill is currently on the House floor awaiting final approval.

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If quickly enacted, Senate Bill 757 will extend the expiration date of key provisions of The Social Welfare Act and avoid needless confusion and expense.

Respectfully,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled House Bill Nos. 5438, 5439, 5440, and 5441, referred to above, are compiled in *Michigan House Enrolled Bills (2005)*.

December 27, 2005

Michigan House of Representatives
State Capitol
Lansing, Michigan 48909-7514
Ladies and Gentlemen:

Today I have vetoed and return with objections Enrolled House Bill 4993, as provided under Section 33 of Article IV of the Michigan Constitution of 1963. The bill would allow voters to authorize a local transportation authority to levy a tax on real property for public transportation purposes for up to 25 years. The current limit is 5 years.

As introduced, House Bill 4993 would have applied to transit authorities organized under the Public Transportation Authority Act ("PA 196") throughout Michigan, ranging from Gogebic County in the Upper Peninsula to Monroe County in the Lower Peninsula. Unfortunately, the bill was amended and limited to apply only to counties with a population greater than 500,000 and less than 750,000.

In this restrictive form, Enrolled House Bill 4993 would apply only to Kent County. The Interurban Transit Partnership serving the greater Grand Rapids area in Kent County laudably would use the financing tool that would be provided by the bill to develop a streetcar or rapid transit bus corridor, enabling the area to demonstrate the local financial capacity required to secure \$14.4 million in federal funding.

Effective public transportation connecting job providers with the workers and customers needed to fuel business growth is a key component of economic development and job creation throughout all of Michigan. That is why I strongly support improved public transportation not just in Kent County but throughout the entire state. Restricting to only one county the tools that can enable communities to develop more effective public transportation is short sighted. Citizens in all of our communities deserve access to the same tools that House Bill 4993 would provide only to Kent County.

In addition to denying communities transportation options that enable economic growth and prosperity, the restrictive scope of this legislation also risks leaving federal funds on the table, shifting dollars to other states at the expense of Michigan taxpayers. For example, the federal government already has committed \$100 million for engineering work on a proposed rapid transit line between Detroit and Ann Arbor that also would serve Metro Airport. The federal government additionally could fund up to 80% of the cost of building such a line, as it has done for similar transit lines in other states, but only if the region can demonstrate sufficient local financial support.

Providing communities throughout Michigan the same ability as Kent County to demonstrate local financial support will provide those communities with a green light to move forward and secure major federal support for important public transportation projects. That means more jobs and less congestion on our roads. It also is important to note that such legislation would not impose taxes, but instead only would empower local voters to make choices on public transportation funding options that work best for their communities.

VETOES 2005

The crass political motivation that would provide funding flexibility to one county while leaving behind the rest of the state is bad for jobs in Michigan and cynically fosters division in a state that cries out for unity. Accordingly, I return Enrolled House Bill 4993 without signature.

I call on the Legislature to pass legislation early next year giving voters in communities throughout Michigan the ability to utilize this funding option to support their local public transportation authorities.

Respectfully,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled House Bill No. 4993, referred to above, is compiled in *Michigan House Enrolled Bills (2005)*.

February 3, 2006

Michigan State Senate
State Capitol
Lansing, MI 48909-7536
Ladies and Gentlemen:

Today I have vetoed and return with objections Enrolled Senate Bill SB 957, as provided under Section 33 of Article IV of the Michigan Constitution of 1963.

Senate Bill 957 would result in a significant reduction in state revenues, as verified by your own nonpartisan Senate Fiscal Agency. Because the bill also would create additional incentives for business entities other than true small businesses, including affiliates of some large out-of-state corporations, to exploit loopholes in the Single Business Tax Act by claiming the lower alternative rate intended only for small businesses, state revenues would be cut further. The leadership of both the Senate and the House of Representatives have promised publicly and privately to close tax loopholes to pay for reductions in business taxes. That promise was not kept. The question of how they intend to pay for this bill remains unanswered.

This legislation also represents a piecemeal approach to improving Michigan's tax climate. In contrast, more than a year ago, I proposed a comprehensive and fiscally responsible restructuring of business taxes in Michigan—significantly lowering the Single Business Tax rate, cutting the alternative tax paid by small businesses, creating new tax incentives for investment in Michigan, closing tax loopholes, and eliminating tax shelters. I have yet to see an alternative comprehensive plan.

I will continue to oppose legislation that does not advance the goal of a comprehensive and fiscally responsible restructuring of business taxes in Michigan. But I also will continue to support bipartisan efforts to restructure our business tax system and improve the tax structure for small businesses in a positive way that does not threaten important services for Michigan citizens. Such efforts can include an end to the Single Business Tax as we know it, but the costs of changes in tax law cannot be ignored. We have already demonstrated our ability to make progress toward this goal when we work together. Senate Bill 957, standing alone, is not a step in that direction. I therefore return the bill without signature.

Respectfully,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled Senate Bill No. 957, referred to above, is compiled in *Michigan Senate Enrolled Bills (2005)*.

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February 3, 2006

Michigan House of Representatives
State Capitol
Lansing, Michigan 48909-7514

Ladies and Gentlemen:

You have presented me with a dozen bills intended to better Michigan's tax climate by improving administration of Michigan's tax laws and facilitating more effective interaction between the Department of Treasury and taxpayers. Nine of the bills are consistent with that goal. Accordingly, I have approved Enrolled House Bills 4244, 5356, 5357, 5358, 5359, 5360, 5361, 5362, and 5364. Three bills are not. As a result, I return Enrolled House 5355, 5363, and 5386 with my objections as provided under Section 33 of Article IV of the Michigan Constitution of 1963.

House Bill 5355 would prohibit retroactive application by the Department of Treasury of rules and administrative bulletins issued to provide guidance for taxpayers on current tax law. This could be detrimental to taxpayers. For example, had this bill been in effect in 1998 when the Department of Treasury altered an administrative interpretation to conform to a court decision increasing the tax obligations of some out-of-state businesses and providing tax benefits for some businesses in Michigan, the tax refunds issued to hundreds of Michigan businesses might not have been possible.

House Bill 5363 would open the door to settlements between the Department of Treasury and taxpayers to lower taxes owed, even when a clear tax obligation exists under the law. Unfortunately this also opens the door for outside pressure that could lead to potential abuses: favoritism and subjective imposition of tax obligations without clear standards as opposed to evenhanded administration of tax laws. A change in the law that creates the potential for such abuse in the future is not in the best interests of Michigan taxpayers.

House Bill 5386 is substantively similar to House Bill 5107, which was vetoed last November. That bill included badly flawed language that would substantially jeopardize the collection of Michigan's use tax by expanding a loophole for purchasers that the Department of Treasury would not be able to audit and close given existing resources. House Bill 5386 replicates this problem.

For these reasons, I return Enrolled House Bills 5355, 5363, and 5386 without signature.

Respectfully,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled House Bill Nos. 5355, 5363, and 5386, referred to above, are compiled in *Michigan House Enrolled Bills (2005)*.

February 3, 2006

Michigan House of Representatives
State Capitol
Lansing, Michigan 48909-7514

Ladies and Gentlemen:

Today I have vetoed and return with objections Enrolled House Bill 5447, as provided under Section 33 of Article IV of the Michigan Constitution of 1963. The bill would prohibit the adoption of rules or standards to protect workers from job-related musculoskeletal

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injuries and shield employers from costs and lost productivity associated with such workplace injuries.

House Bill 5447 is a solution in search of a problem. No department, board, or commission in state government has proposed rules to address job-related musculoskeletal injuries. In fact, an advisory committee to consider whether rules or standards are necessary in Michigan was formed by the administration of my predecessor, Governor Engler. The advisory committee, which includes experts in health and ergonomics and representatives of both employers and employees, has neither completed its review nor made any recommendations. House Bill 5447 would prematurely terminate the work of this advisory body.

Furthermore, as Governor, because the Michigan Constitution separates the powers of government, I have an obligation to defend the Executive Branch from encroachment, just as you seek to defend the prerogatives of the Legislative Branch. If the advisory committee determines that administrative rules are needed in this area, and the Executive Branch concurs, the Administrative Procedures Act of 1969 affords ample opportunity for legislative review and reaction. If it is determined that administrative rules are not needed at this time, I have a responsibility to preserve the ability of a future governor to decide otherwise.

Because Enrolled House Bill 5447 forecloses these options, I return the bill without signature.

Respectfully,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled House Bill No. 5447, referred to above, is compiled in *Michigan House Enrolled Bills (2005)*.