No. 25 JOURNAL OF THE HOUSE

House Chamber, Lansing, Thursday, March 20, 1997.

10:00 a.m.

The House was called to order by the Speaker.

The roll was called by the Clerk of the House of Representatives, who announced that a quorum was present.

Agee—present
Alley—present
Anthony—present
Baade—excused
Baird—present
Bankes—present
Birkholz—present
Bobier—present
Bodem—present
Bogardus—present
Brackenridge—present
Brater—present
Brewer—present
Brown—present
Byl—present
Callahan—present
Cassis—present
Cherry—present
Ciaramitaro—present
Crissman—present
Cropsey—present
Curtis—present
Dalman—present
DeHart—present
DeVuyst—present
Dobb—present
Dobronski-present
Emerson—present

Fitzgerald—present
Frank—present
Freeman—present
Gagliardi—present
Galloway—present
Geiger—present
Gernaat—present
Gilmer—present
Gire—present
Godchaux—present
Goschka—present
Green—present
Griffin—present
Gubow—present
Gustafson—present
Hale—present
Hammerstrom—present
Hanley—present
Harder—present
Hertel—present
Hood—present
Horton—present
Jansen—present
Jaye—present
Jelinek—present
Jellema—present
Johnson—present
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Kelly—present
Kilpatrick—present
Kukuk—present
LaForge—present
Law—present
Leland—present
LeTarte—present
Llewellyn—present
London—present
Lowe—present
Mans—present
Martinez—present
Mathieu—present
McBryde—present
McManus—present
McNutt—present
Middaugh—present
Middleton—present
Murphy—present
Nye—present
Olshove—present
Owen—present
Oxender—present
Palamara—present
Parks—present
Perricone—present

Kaza—present

Price—present
Profit—e/d/s
Prusi—present
Quarles—e/d/s
Raczkowski—present
Rhead—present
Richner—present
Rison—present
Rocca—present
Schauer—present
Schermesser—present
Schroer—present
Scott—present
Scranton—present
Sikkema—present
Stallworth—present
Tesanovich—present
Thomas—present
Varga—present
Vaughn—present
Voorhees—present
Walberg—present
Wallace—present
Wetters—present
Whyman—present
Willard—present
Wojno—present

Rep. Sharon Gire, from the 31st District, offered the following invocation:

"Dear God, We pray for the wisdom, strength and courage to put aside partisan politics and to work together as the representatives of the people of this state in order to address the issues and problems facing us. Please help us to remember that we are all Your children and that we need to treat each other with that understanding. Amen."

Rep. Dobronski moved that Rep. Baade be granted an excuse from today's session. The motion prevailed.

Rep. Alley asked and obtained an excuse from the balance of today's session.

Rep. Middaugh asked and obtained an excuse from the balance of today's session.

Second Reading of Bills

House Bill No. 4101, entitled

A bill to amend 1982 PA 249, entitled "An act to establish the state children's trust fund in the department of treasury; and to provide certain powers and duties of the department of treasury with respect to the trust fund," by amending section 1 (MCL 21.171).

The bill was read a second time.

Rep. Hammerstrom moved that the bill be placed on the order of Third Reading of Bills.

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

Rep. Gagliardi moved that the bill be placed on its immediate passage.

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

By unanimous consent the House returned to the order of

Third Reading of Bills

House Bill No. 4101, entitled

A bill to amend 1982 PA 249, entitled "An act to establish the state children's trust fund in the department of treasury; and to provide certain powers and duties of the department of treasury with respect to the trust fund," by amending section 1 (MCL 21.171).

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 127 Yeas—104

Agee Fitzgerald Johnson Anthony Frank Kaza Freeman Baird Kelly Bankes Gagliardi Kilpatrick Birkholz Galloway Kukuk Geiger LaForge **Bobier** Bodem Gernaat Law **Bogardus** Gilmer Leland Brackenridge Gire LeTarte Brater Godchaux Llewellyn Brewer Goschka London Brown Green Lowe Byl Griffin Mans Callahan Gubow Martinez

Perricone
Price
Prusi
Raczkowski
Rhead
Richner
Rison
Rocca
Schauer
Schermesser
Schroer
Scott
Scranton
Sikkema

Cassis Gustafson Mathieu Cherry Hale McBryde Ciaramitaro McManus Hammerstrom Crissman Hanley McNutt Harder Cropsev Middleton Hertel Curtis Murphy Dalman Hood Nve DeHart Horton Olshove DeVuyst Jansen Owen Dobb Jave Oxender Dobronski Jelinek Palamara Emerson Jellema Parks

Stallworth Tesanovich Thomas Varga Vaughn Voorhees Walberg Wallace Wetters Whyman Willard Wojno

Nays—0

In The Chair: Hertel

The House agreed to the title of the bill.

Second Reading of Bills

House Bill No. 4352, entitled

A bill to amend 1996 PA 480, entitled "An act to make appropriations for the judicial branch for the fiscal year ending September 30, 1997; to make appropriations to various state departments for the fiscal year ending September 30, 1997; to make appropriations for a capital outlay program for fiscal years ending September 30, 1997; to implement the appropriations within the budgetary process; to make appropriations for planning and construction at state agencies, universities, and community colleges; to make appropriations for state building authority rent and insurance; to make a grant for state building authority rent; to provide for the acquisition of land and buildings; to provide for the elimination of fire hazards; to provide for special maintenance, remodeling and addition, alteration, renovation, demolition, and other projects; to provide for elimination of occupational safety and health hazards; to provide for the award and implementation of contracts; to provide for the purchase of furnishings and equipment relative to occupancy of a project; to provide for certain advances from the general fund; to require certain reports, plans, and agreements; to provide for leases; to provide for transfers; to prescribe standards and conditions relating to the appropriations; to provide for the acquisition of land and the development of public recreation facilities; to provide for the powers and duties of certain state agencies, employees, and officials; and to provide for the expenditure of the appropriations," by amending section 1829.

Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Regulatory Affairs,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. Curtis moved that the bill be placed on the order of Third Reading of Bills.

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

Rep. Gagliardi moved that the bill be placed on its immediate passage.

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

By unanimous consent the House returned to the order of

Third Reading of Bills

House Bill No. 4352, entitled

A bill to amend 1996 PA 480, entitled "An act to make appropriations for the judicial branch for the fiscal year ending September 30, 1997; to make appropriations to various state departments for the fiscal year ending September 30, 1997; to make appropriations for a capital outlay program for fiscal years ending September 30, 1997; to implement the appropriations within the budgetary process; to make appropriations for planning and construction at

state agencies, universities, and community colleges; to make appropriations for state building authority rent and insurance; to make a grant for state building authority rent; to provide for the acquisition of land and buildings; to provide for the elimination of fire hazards; to provide for special maintenance, remodeling and addition, alteration, renovation, demolition, and other projects; to provide for elimination of occupational safety and health hazards; to provide for the award and implementation of contracts; to provide for the purchase of furnishings and equipment relative to occupancy of a project; to provide for certain advances from the general fund; to require certain reports, plans, and agreements; to provide for leases; to provide for transfers; to prescribe standards and conditions relating to the appropriations; to provide for the acquisition of land and the development of public recreation facilities; to provide for the powers and duties of certain state agencies, employees, and officials; and to provide for the expenditure of the appropriations," by amending section 1829.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 128

Yeas—104

Agee **Fitzgerald** Johnson Anthony Frank Kaza Baird Freeman Kellv Bankes Gagliardi Kilpatrick Galloway Birkholz Kukuk Geiger **Bobier** LaForge Bodem Gernaat Law Gilmer **Bogardus** Leland Brackenridge Gire LeTarte Godchaux Llewellyn Brater Brewer Goschka London Brown Green Lowe Bvl Griffin Mans Callahan Gubow Martinez Gustafson Cassis Mathieu Cherry Hale McBryde Ciaramitaro Hammerstrom McManus Crissman Hanley McNutt Cropsey Harder Middleton Curtis Hertel Murphy Hood Nye Dalman Olshove DeHart Horton **DeVuvst** Jansen Owen Dobb Jave Oxender Dobronski Jelinek Palamara Jellema Emerson Parks

Perricone Price Prusi Raczkowski Rhead Richner Rison Rocca Schauer Schermesser Schroer Scott Scranton Sikkema Stallworth Tesanovich **Thomas** Varga Vaughn Voorhees Walberg Wallace Wetters Whyman Willard Wojno

Nays—0

In The Chair: Hertel

The question being on agreeing to the title of the bill,

Rep. Gagliardi moved to amend the title to read as follows:

A bill to authorize the state administrative board to convey certain state owned property in Genesee county; to prescribe conditions for the conveyance; to provide for disposition of the revenue derived from the conveyance; and to repeal acts and parts of acts.

The motion prevailed.

The House agreed to the title as amended.

Rep. Gagliardi moved that the bill be given immediate effect.

The motion prevailed, two-thirds of the members serving voting therefor.

Second Reading of Bills

House Bill No. 4464, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," by amending section 861 (MCL 380.861) and by adding section 861a.

Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Education,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. Jelinek moved that the bill be placed on the order of Third Reading of Bills.

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

Rep. Gagliardi moved that the bill be placed on its immediate passage.

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

Rep. Profit entered the House Chambers.

By unanimous consent the House returned to the order of

Third Reading of Bills

House Bill No. 4464, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," by amending section 861 (MCL 380.861) and by adding section 861a.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 129

Yeas—103

Fitzgerald Agee Anthony Frank Baird Freeman Bankes Gagliardi Birkholz Galloway **Bobier** Gernaat Bodem Gilmer **Bogardus** Gire Godchaux Brackenridge Brater Goschka Brewer Green Brown Griffin Byl Gubow Callahan Gustafson Cassis Hale Cherry Hammerstrom Ciaramitaro Hanley Crissman Harder Cropsey Hertel Curtis Hood Dalman Horton DeHart Jansen **DeVuyst** Jave Dobb Jelinek Dobronski Jellema Emerson Johnson

Kaza Kelly Kilpatrick Kukuk LaForge Law Leland LeTarte Llewellyn London Lowe Mans Martinez Mathieu McBryde McManus McNutt Middleton Murphy Nye Olshove Owen Oxender Palamara Parks

Perricone

Price **Profit** Prusi Raczkowski Rhead Richner Rison Rocca Schauer Schermesser Schroer Scott Scranton Sikkema Tesanovich **Thomas** Varga Vaughn Voorhees Walberg Wallace Wetters Whyman Willard Wojno

Nays—1

Stallworth

In The Chair: Hertel

The House agreed to the title of the bill.

Rep. Gagliardi moved that the bill be given immediate effect.

The motion prevailed, two-thirds of the members serving voting therefor.

The Speaker called the Speaker Pro Tempore to the Chair.

Second Reading of Bills

House Bill No. 4102, entitled

A bill to regulate the manufacturing and assembling of public playground equipment; and to provide penalties. The bill was read a second time.

Reps. Hammerstrom and Varga moved to substitute (H-2) the bill.

The motion prevailed and the substitute (H-2) was adopted, a majority of the members serving voting therefor.

Reps. Richner and Wetters moved to amend the bill as follows:

1. Amend page 2, line 18, after "who" by striking out the balance of the line through "equipment" on line 19 and inserting "for monetary compensation assembles public playground equipment and violates this act".

The motion prevailed and the amendment was adopted, a majority of the members serving voting therefor.

Rep. Hammerstrom moved that the bill be placed on the order of Third Reading of Bills.

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

Rep. Gagliardi moved that the bill be placed on its immediate passage.

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

By unanimous consent the House returned to the order of

Third Reading of Bills

House Bill No. 4102, entitled

A bill to regulate the manufacturing and assembling of public playground equipment; and to provide penalties. Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 130 Yeas—104

Fitzgerald Johnson Agee Anthony Frank Kaza Baird Freeman Kelly Bankes Gagliardi Kilpatrick Birkholz Galloway Kukuk **Bobier** Geiger LaForge Bodem Gernaat Law **Bogardus** Gilmer Leland Brackenridge Gire LeTarte Godchaux Brater Llewellyn Brewer Goschka London Brown Green Lowe Griffin Byl Mans Callahan Gubow Martinez

Price
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Schauer
Schermesser
Schroer
Scott
Scranton
Sikkema

Cassis Gustafson Stallworth Mathieu McBryde Tesanovich Cherry Hale Ciaramitaro Hammerstrom McManus Thomas Crissman Hanley McNutt Varga Cropsey Harder Middleton Vaughn Curtis Hertel Murphy Voorhees Dalman Hood Nye Walberg Olshove DeHart Horton Wallace **DeVuvst** Jansen Owen Wetters Dobb Palamara Whyman Jaye Dobronski Jelinek Parks Willard Jellema Wojno Emerson Perricone

Nays—0

In The Chair: Murphy

The House agreed to the title of the bill.

Reps. Anthony, Bankes, Bodem, Brackenridge, Brater, Brown, Byl, Callahan, Cassis, Crissman, Dalman, DeHart, DeVuyst, Dobb, Dobronski, Fitzgerald, Frank, Freeman, Gagliardi, Geiger, Gernaat, Gire, Goschka, Gubow, Gustafson, Hale, Horton, Jansen, Jelinek, Jellema, Johnson, Kelly, Kilpatrick, LaForge, Law, Llewellyn, London, Mans, McBryde, McNutt, Middleton, Owen, Palamara, Parks, Profit, Prusi, Raczkowski, Rhead, Richner, Rocca, Schauer, Schermesser, Schroer, Scott, Sikkema, Tesanovich, Thomas, Voorhees, Wallace and Wojno were named co-sponsors of the bill.

Second Reading of Bills

House Bill No. 4413, entitled

A bill to amend 1846 RS 12, entitled "Of certain state officers," (MCL 14.28 to 14.35) by adding section 29a. The bill was read a second time.

Rep. Llewellyn moved to amend the bill as follows:

- 1. Amend page 2, following line 3, by inserting:
- "(E) THE PERSON TO BE REPRESENTED UNDER THIS SECTION IS NOT ENTITLED TO LEGAL REPRESENTATION FROM HIS OR HER TITLE INSURANCE COMPANY.".

The motion prevailed and the amendment was adopted, a majority of the members serving voting therefor.

Rep. Llewellyn moved to amend the bill as follows:

1. Amend page 1, line 2, after "STATE" by inserting "WHO IS ALSO A CITIZEN OF THE UNITED STATES". The motion prevailed and the amendment was adopted, a majority of the members serving voting therefor.

Rep. Llewellyn moved to amend the bill as follows:

- 1. Amend page 2, following line 3, by inserting:
- "(2) THE ATTORNEY GENERAL SHALL ANNUALLY REPORT TO THE LEGISLATURE ON THE TOTAL COST INCURRED DURING THE PREVIOUS YEAR ON REPRESENTING INDIVIDUALS PURSUANT TO THIS SECTION." and renumbering the remaining subsection.

The motion prevailed and the amendment was adopted, a majority of the members serving voting therefor.

Rep. Gagliardi moved that the bill be placed on the order of Third Reading of Bills.

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

Rep. Gagliardi moved that the bill be placed on its immediate passage.

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

By unanimous consent the House returned to the order of

Third Reading of Bills

House Bill No. 4413, entitled

A bill to amend 1846 RS 12, entitled "Of certain state officers," (MCL 14.28 to 14.35) by adding section 29a. Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 131

Yeas-61

Agee Emerson Kilpatrick Prusi Anthony Frank Kukuk Raczkowski Bobier Gagliardi Richner LaForge Bodem Gire Leland Rison Griffin **Bogardus** Llewellyn Schauer Brackenridge Hale Mans Schermesser Brater Hammerstrom Mathieu Scott Tesanovich Brown Hanley McManus Harder Thomas Callahan Murphy Hertel Cherry Olshove Varga Crissman Hood Oxender Vaughn Voorhees Cropsey Jansen Palamara DeHart Jelinek Parks Walberg DeVuyst Wetters Kaza Price Dobb Woino Kelly **Profit** Dobronski

Nays—38

Baird Geiger Johnson Owen Gernaat Bankes LeTarte Perricone Gilmer London Birkholz Rhead Godchaux Brewer Lowe Rocca Bvl Goschka Martinez Schroer Cassis Green McBryde Scranton McNutt Curtis Gustafson Sikkema Dalman Horton Middleton Whyman Willard Fitzgerald Jaye Nye Jellema Galloway

In The Chair: Murphy

The House agreed to the title of the bill.

Rep. Gagliardi moved that the bill be given immediate effect.

The motion prevailed, two-thirds of the members serving voting therefor.

The Speaker resumed the Chair.

Second Reading of Bills

House Bill No. 4357, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," (MCL 206.1 to 206.532) by adding section 438. Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Tax Policy,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. Profit moved that the bill be placed on the order of Third Reading of Bills.

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

Rep. Gagliardi moved that the bill be placed on its immediate passage.

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

By unanimous consent the House returned to the order of

Third Reading of Bills

House Bill No. 4357, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," (MCL 206.1 to 206.532) by adding section 438. Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 132

Yeas—102

Frank Kilpatrick Agee Anthony Freeman Kukuk Baird Gagliardi LaForge Bankes Galloway Law Birkholz Leland Geiger Gernaat **Bobier** LeTarte Gilmer Bodem Llewellyn **Bogardus** Godchaux London Brackenridge Goschka Lowe Brater Green Mans Griffin Brewer Martinez Gubow Brown Mathieu Bvl Gustafson McBrvde Callahan Hale McManus Hammerstrom Cassis McNutt Cherry Hanley Middleton Ciaramitaro Harder Murphy Hertel Crissman Nye Cropsey Hood Olshove Curtis Horton Owen Dalman Jansen Oxender DeHart Jave Palamara Jelinek **DeVuvst** Parks Dobb Jellema Perricone Dobronski Kaza Price Fitzgerald Kelly

Profit Prusi Raczkowski Rhead Richner Rison Rocca Schauer Schermesser Schroer Scott Scranton Sikkema Stallworth Tesanovich **Thomas** Varga Vaughn Voorhees Walberg Wallace Wetters Whyman Willard Wojno

Nays—0

In The Chair: Hertel

The House agreed to the title of the bill.

Rep. Gagliardi moved that the bill be given immediate effect.

The motion prevailed, two-thirds of the members serving voting therefor.

Reps. Agee, Birkholz, Bodem, Bogardus, Brackenridge, Brown, Callahan, Cassis, Cherry, Curtis, DeHart, DeVuyst, Dobb, Dobronski, Frank, Freeman, Gagliardi, Gernaat, Gilmer, Goschka, Green, Hale, Hammerstrom, Harder, Hood, Horton, Jansen, Jaye, Jelinek, Jellema, Kaza, Kelly, Kukuk, LaForge, Law, LeTarte, Llewellyn, London, Lowe, Mans, McBryde, McManus, McNutt, Middleton, Owen, Oxender, Palamara, Price, Prusi, Rhead, Richner, Rocca, Schauer, Schroer, Scott, Scranton, Sikkema, Tesanovich, Vaughn, Voorhees, Wallace, Whyman, Willard and Wojno were named co-sponsors of the bill.

Second Reading of Bills

House Bill No. 4242, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 16903 (MCL 324.16903) and by adding section 16903a.

(The bill was read a second time, amended and bill postponed temporarily on March 19, see House Journal No. 24, p. 426.)

Rep. Llewellyn moved to amend the bill as follows:

1. Amend page 4, line 9, after "jurisdiction." by inserting "A SCRAP TIRE PROCESSOR THAT POSSESSES A PERMIT TO BURN TIRES UNDER PART 55 OR A PERMIT TO CONSTRUCT A LANDFILL UNDER PART 115 IS NOT REQUIRED TO MAINTAIN A PERFORMANCE BOND UNDER THIS SUBDIVISION WITH RESPECT TO WHOLE TIRES OR TIRES THAT HAVE BEEN SHREDDED OR CHIPPED TO SPECIFICATION FOR THE END USER IF NOT LESS THAN 75% OF THE AMOUNT, BY WEIGHT OR VOLUME, OF THE WHOLE TIRES OR PIECES THAT ARE STORED EACH YEAR ARE RECYCLED OR USED FOR RESOURCE RECOVERY THAT YEAR.".

The motion prevailed and the amendment was adopted, a majority of the members serving voting therefor.

Rep. McManus moved that the bill be placed on the order of Third Reading of Bills.

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

Rep. Gagliardi moved that the bill be placed on its immediate passage.

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

Rep. DeHart moved that Rep. Murphy be granted a temporary excuse from today's session. The motion prevailed.

By unanimous consent the House returned to the order of

Third Reading of Bills

House Bill No. 4242, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 16903 (MCL 324.16903) and by adding section 16903a.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 133 Yeas—100

Agee Fitzgerald Anthony Frank Baird Freeman Bankes Gagliardi Birkholz Galloway Geiger **Bobier** Bodem Gernaat **Bogardus** Gilmer Brackenridge Gire Brater Godchaux Brown Goschka Byl Green Callahan Griffin Cassis Gubow Cherry Gustafson Ciaramitaro Hale Crissman Hammerstrom

Jellema **Profit** Kaza Prusi Kellv Raczkowski Kilpatrick Rhead Kukuk Richner LaForge Rison Law Rocca Leland Schauer LeTarte Schermesser Llewellyn Schroer Scott London Lowe Scranton Mans Sikkema Martinez Stallworth Mathieu Tesanovich McBryde **Thomas** McManus Varga

Vaughn Cropsey Hanley McNutt Harder Middleton Voorhees Curtis Dalman Hertel Walberg Nye DeHart Hood Oxender Wallace **DeVuyst** Horton Palamara Wetters Whyman Dobb Jansen Parks Willard Dobronski Jaye Perricone Emerson Jelinek Price Wojno

Navs-0

In The Chair: Hertel

The question being on agreeing to the title of the bill,

Rep. Gagliardi moved to amend the title to read as follows:

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 16901 and 16903 (MCL 324.16901 and 324.16903), section 16901 as amended by 1995 PA 268, and by adding sections 16903a and 16908a.

The motion prevailed.

The House agreed to the title as amended.

Rep. Gagliardi moved that the bill be given immediate effect.

The motion prevailed, two-thirds of the members serving voting therefor.

Rep. Quarles entered the House Chambers.

The Speaker Pro Tempore called the Associate Speaker Pro Tempore to the Chair.

Second Reading of Bills

House Bill No. 4483, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 80101, 80102, 80104, 80113, 80124, 80125, 80131, 80142, 80144, 80146, 80150, 80152, 80154, 80159, 80166, 80167, 80168, 80169, 80170, 80171, 80176, 80180, 80198a, and 80198b (MCL 324.80101, 324.80102, 324.80104, 324.80113, 324.80124, 324.80125, 324.80131, 324.80142, 324.80144, 324.80146, 324.80150, 324.80152, 324.80154, 324.80159, 324.80166, 324.80167, 324.80168, 324.80169, 324.80170, 324.80171, 324.80176, 324.80180, 324.80198a, and 324.80198b), sections 80101, 80102, 80104, 80113, 80124, 80125, 80131, 80144, 80146, 80150, 80152, 80154, 80159, 80166, 80167, 80168, 80169, 80170, 80171, 80198a, and 80198b as added by 1995 PA 58 and sections 80142, 80176, and 80180 as amended by 1996 PA 174, and by adding sections 80168a, 80193a, 80199a, 80199b, 80199c, 80199d, 80199e, 80199f, 80199g, and 80199h; and to repeal acts and parts of acts.

The bill was read a second time.

Rep. Gubow moved that the bill be placed on the order of Third Reading of Bills.

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

House Bill No. 4484, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 1e of chapter IV (MCL 764.1e), as added by 1980 PA 506.

The bill was read a second time.

Rep. Gubow moved that the bill be placed on the order of Third Reading of Bills.

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

House Bill No. 4485, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending sections 113, 8313, 8375, 8391, 8511, and 8512, (MCL 600.113, 600.8313, 600.8375, 600.8391, 600.8511, and 600.8512), sections 113 and 8511 as amended by 1996 PA 79 and sections 8313, 8375, and 8512 as amended by 1995 PA 54.

The bill was read a second time.

Rep. Gubow moved that the bill be placed on the order of Third Reading of Bills.

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

House Bill No. 4486, entitled

A bill to amend 1945 PA 246, entitled "An act to authorize township boards to adopt ordinances and regulations to secure the public health, safety and general welfare; to provide for the establishment of a township police department; to provide for policing of townships by certain law enforcement officers and agencies; to provide for the publication of ordinances; to prescribe powers and duties of township boards and certain local and state officers and agencies; to provide sanctions; and to repeal all acts and parts of acts in conflict with the act," by amending section 3 (MCL 41.183), as amended by 1996 PA 34.

The bill was read a second time.

Rep. Gubow moved that the bill be placed on the order of Third Reading of Bills.

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

House Bill No. 4487, entitled

A bill to amend 1947 PA 359, entitled "The charter township act," by amending section 21 (MCL 42.21), as amended by 1996 PA 36.

The bill was read a second time.

Rep. Gubow moved that the bill be placed on the order of Third Reading of Bills.

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

House Bill No. 4488, entitled

A bill to amend 1895 PA 3, entitled "The general law village act," by amending section 2 of chapter VI (MCL 66.2), as amended by 1996 PA 41.

The bill was read a second time.

Rep. Gubow moved that the bill be placed on the order of Third Reading of Bills.

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

House Bill No. 4489, entitled

A bill to amend 1909 PA 278, entitled "The home rule village act," by amending section 25a (MCL 78.25a), as amended by 1996 PA 42.

The bill was read a second time.

Rep. Gubow moved that the bill be placed on the order of Third Reading of Bills.

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

House Bill No. 4490, entitled

A bill to amend 1895 PA 215, entitled "The fourth class city act," by amending section 2 of chapter IX (MCL 89.2), as amended by 1996 PA 43.

The bill was read a second time.

Rep. Gubow moved that the bill be placed on the order of Third Reading of Bills.

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

House Bill No. 4491, entitled

A bill to amend 1909 PA 279, entitled "The home rule city act," by amending section 4l (MCL 117.4l), as amended by 1996 PA 44.

The bill was read a second time.

Rep. Gubow moved that the bill be placed on the order of Third Reading of Bills.

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

House Bill No. 4221, entitled

A bill to amend 1954 PA 116, entitled "Michigan election law," by amending sections 799a and 803 (MCL 168.799a and 168.803), section 799a as amended by 1992 PA 8 and section 803 as amended by 1985 PA 160.

Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Local Government,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. Brackenridge moved that the bill be placed on the order of Third Reading of Bills.

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

Rep. Gernaat asked and obtained an excuse from the balance of today's session.

House Bill No. 4213, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," (MCL 206.1 to 206.532) by adding section 266. Was read a second time, and the question being on the adoption of the proposed substitute (H-2) previously recommended by the Committee on Senior Citizens and Veterans Affairs,

The substitute (H-2) was adopted, a majority of the members serving voting therefor.

The question being on the adoption of the proposed amendment previously recommended by the Committee on Tax Policy (for amendment see House Journal No. 24, p. 445),

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

Rep. Dobb moved to substitute (H-7) the bill.

The question being on the adoption of the substitute (H-7) offered by Rep. Dobb,

Rep. Dobb demanded the yeas and nays.

The demand was supported.

The question being on the adoption of the substitute (H-7) offered by Rep. Dobb,

After debate,

Rep. Hertel demanded the previous question.

The demand was supported.

The question being, "Shall the main question now be put?"

The previous question was ordered.

The question being on the adoption of the substitute (H-7) offered by Rep. Dobb,

The substitute (H-7) was not adopted, a majority of the members serving not voting therefor, by yeas and nays, as follows:

Roll Call No. 134

Yeas—51

Bankes	Galloway	Johnson	Oxender
Birkholz	Geiger	Kaza	Perricone
Bobier	Gilmer	Kukuk	Raczkowski
Bodem	Godchaux	Law	Rhead
Brackenridge	Goschka	LeTarte	Richner
Byl	Green	Llewellyn	Rocca
Cassis	Gustafson	London	Scranton
Crissman	Hammerstrom	Lowe	Sikkema
Cropsey	Horton	McBryde	Voorhees
Dalman	Jansen	McManus	Walberg
DeVuyst	Jaye	McNutt	Whyman
Dobb	Jelinek	Middleton	Willard
Fitzgerald	Jellema	Nye	

Nays-48

Agee	Freeman	Leland	Rison
Anthony	Gagliardi	Mans	Schauer
Baird	Gire	Martinez	Schermesser

Brater Gubow Brewer Hale Brown Hanley Callahan Harder Cherry Hertel Ciaramitaro Hood DeHart Kelly Kilpatrick Emerson Frank LaForge

Mathieu Murphy Olshove Owen Parks Price Profit Prusi Quarles

Schroer Scott Stallworth Tesanovich Thomas Varga Vaughn Wetters Wojno

In The Chair: Gire

Rep. Perricone moved to amend the bill as follows:

- 1. Amend page 1, line 1, by striking out all of section 266 and inserting:
- "Sec. 51. (1) For receiving, earning, or otherwise acquiring income from any source whatsoever, there is levied and imposed upon the taxable income of every person other than a corporation a tax at the following rates in the following circumstances:
 - (a) Before May 1, 1994, 4.6%.
 - (b) After April 30, 1994 AND BEFORE JANUARY 1, 1997, 4.4%.
 - (C) AFTER DECEMBER 31, 1996, 4.2%.
- (2) The following percentages of the net revenues collected under this section shall be deposited in the state school aid fund created in section 11 of article IX of the state constitution of 1963:
- (a) Beginning October 1, 1994 and before October 1, 1996, 14.4% of the gross collections before refunds from the tax levied under this section.
- (b) After September 30, 1996 AND BEFORE JANUARY 1, 1997, 23.0% of the gross collections before refunds from the tax levied under this section.
- (C) AFTER DECEMBER 31, 1996, 24.1% OF THE GROSS COLLECTIONS BEFORE REFUNDS FROM THE TAX LEVIED UNDER THIS SECTION.
- (3) The department shall annualize rates provided in subsection (1) as necessary for tax years that end after April 30, 1994. The applicable annualized rate shall be imposed upon the taxable income of every person other than a corporation for those tax years.
- (4) The taxable income of a nonresident shall be computed in the same manner that the taxable income of a resident is computed, subject to the allocation and apportionment provisions of this act.
- (5) A resident beneficiary of a trust whose taxable income includes all or part of an accumulation distribution by a trust, as defined in section 665 of the internal revenue code, shall be allowed a credit against the tax otherwise due under this act. The credit shall be all or a proportionate part of any tax paid by the trust under this act for any preceding taxable year that would not have been payable if the trust had in fact made distribution to its beneficiaries at the times and in the amounts specified in section 666 of the internal revenue code. The credit shall not reduce the tax otherwise due from the beneficiary to an amount less than would have been due if the accumulation distribution were excluded from taxable income.
- (6) The taxable income of a resident who is required to include income from a trust in his or her federal income tax return under the provisions of subpart E of part I of subchapter J of chapter 1 of the internal revenue code, 26 U.S.C. 671 to 679, shall include items of income and deductions from the trust in taxable income to the extent required by this act with respect to property owned outright.
- (7) It is the intention of this section that the income subject to tax of every person other than corporations shall be computed in like manner and be the same as provided in the internal revenue code subject to adjustments specifically provided for in this act.
 - (8) As used in this section:
 - (a) "Person other than a corporation" means a resident or nonresident individual or any of the following:
 - (i) A partner in a partnership as defined in the internal revenue code.
 - (ii) A beneficiary of an estate or a trust as defined in the internal revenue code.
 - (iii) An estate or trust as defined in the internal revenue code.
- (b) "Taxable income" means taxable income as defined in this act subject to the applicable source and attribution rules contained in this act.".

The question being on the adoption of the amendment offered by Rep. Perricone,

Rep. Perricone demanded the yeas and nays.

The demand was supported.

The question being on the adoption of the amendment offered by Rep. Perricone,

Point of Order

Rep. Profit requested the Chair to rule on the question of whether or not the amendment offered by Rep. Perricone is germane.

The Chair ruled that the amendment is not germane. HB 4213 as it was introduced is a single section bill to deal with dependent care. The amendment introduces a new proposition to the extent it proposes to reduce the income tax rate.

Rep. Gustafson appealed the decision of the Chair.

The question being, "Shall the judgment of the Chair stand as the judgment of the House?"

The judgment of the Chair stood as the judgment of the House, a majority of the members present and voting, voting therefor, by yeas and nays, as follows:

Roll Call No. 135

Yeas—53

Agee Anthony Baird Bogardus	Frank Freeman Gagliardi Gire	Leland Mans Martinez Mathieu	Schauer Schermesser Schroer Scott
Brater	Gubow	Murphy	Stallworth
Brewer	Hale	Olshove	Tesanovich
Brown	Hanley	Owen	Thomas
Callahan	Harder	Parks	Varga
Cherry	Hertel	Price	Vaughn
Ciaramitaro	Hood	Profit	Wallace
Curtis	Kelly	Prusi	Wetters
DeHart	Kilpatrick	Quarles	Willard
Dobronski	LaForge	Rison	Wojno
Emerson	-		•

Nays-50

Bankes	Galloway	Johnson	Nye
Birkholz	Geiger	Kaza	Oxender
Bobier	Gilmer	Kukuk	Perricone
Bodem	Godchaux	Law	Raczkowski
Brackenridge	Goschka	LeTarte	Rhead
Byl	Green	Llewellyn	Richner
Cassis	Gustafson	London	Rocca
Crissman	Hammerstrom	Lowe	Scranton
Cropsey	Horton	McBryde	Sikkema
Dalman	Jansen	McManus	Voorhees
DeVuyst	Jaye	McNutt	Walberg
Dobb	Jelinek	Middleton	Whyman
Fitzgerald	Jellema		-

In The Chair: Gire

Rep. Goschka moved to amend the bill as follows:

- 1. Amend page 1, line 1, by striking out all of section 266 and inserting:
- "Sec. 30. (1) "Taxable income" means, for a person other than a corporation, estate, or trust, adjusted gross income as defined in the internal revenue code subject to the following adjustments and the adjustments provided in subsections (2) to (4):
- (a) Add gross interest income and dividends derived from obligations or securities of states other than Michigan, in the same amount that has been excluded from adjusted gross income less related expenses not deducted in computing adjusted gross income because of section 265(a)(1) of the internal revenue code.

- (b) Add taxes on or measured by income to the extent the taxes have been deducted in arriving at adjusted gross income.
- (c) Add losses on the sale or exchange of obligations of the United States government, the income of which this state is prohibited from subjecting to a net income tax, to the extent that the loss has been deducted in arriving at adjusted gross income.
- (d) Deduct, to the extent included in adjusted gross income, income derived from obligations, or the sale or exchange of obligations, of the United States government that this state is prohibited by law from subjecting to a net income tax, reduced by any interest on indebtedness incurred in carrying the obligations and by any expenses incurred in the production of that income to the extent that the expenses, including amortizable bond premiums, were deducted in arriving at adjusted gross income.
- (e) Deduct, to the extent included in adjusted gross income, compensation, including retirement benefits, received for services in the armed forces of the United States.
 - (f) Deduct the following to the extent included in adjusted gross income:
- (i) Retirement or pension benefits received from a federal public retirement system or from a public retirement system of or created by this state or a political subdivision of this state.
- (ii) Retirement or pension benefits received from a public retirement system of or created by another state or any of its political subdivisions if the income tax laws of the other state permit a similar deduction or exemption or a reciprocal deduction or exemption of a retirement or pension benefit received from a public retirement system of or created by this state or any of the political subdivisions of this state.
 - (iii) Social security benefits as defined in section 86 of the internal revenue code.
 - (iv) Before October 1, 1994, retirement or pension benefits from any other retirement or pension system as follows:
 - (A) For a single return, the sum of not more than \$7,500.00.
 - (B) For a joint return, the sum of not more than \$10,000.00.
- (v) After September 30, 1994, retirement or pension benefits not deductible under subparagraph (i) or subdivision (e) from any other retirement or pension system or benefits from a retirement annuity policy in which payments are made for life to a senior citizen, to a maximum of \$30,000.00 for a single return and \$60,000.00 for a joint return. The maximum amounts allowed under this subparagraph shall be reduced by the amount of the deduction for retirement or pension benefits claimed under subparagraph (i) or subdivision (e) and for tax years after the 1996 tax year by the amount of a deduction claimed under subdivision (r). For the 1995 tax year and each tax year after 1995, the maximum amounts allowed under this subparagraph shall be adjusted by the percentage increase in the United States consumer price index for the immediately preceding calendar year. The department shall annualize the amounts provided in this subparagraph and subparagraph (iv) as necessary for tax years that end after September 30, 1994. As used in this subparagraph, "senior citizen" means that term as defined in section 514.
- (vi) The amount determined to be the section 22 amount eligible for the elderly and permanently and totally disabled credit provided in section 22 of the internal revenue code.
 - (g) Adjustments resulting from the application of section 271.
 - (h) Adjustments with respect to estate and trust income as provided in section 36.
 - (i) Adjustments resulting from the allocation and apportionment provisions of chapter 3.
- (j) Deduct political contributions as described in section 4 of the Michigan campaign finance act, Act No. 388 of the Public Acts of 1976, being section 169.204 of the Michigan Compiled Laws 1976 PA 388, MCL 169.204, or section 301 of title III of the federal election campaign act of 1971, Public Law 92-225, 2 U.S.C. 431, not in excess of \$50.00 per annum, or \$100.00 per annum for a joint return.
- (k) Deduct, to the extent included in adjusted gross income, wages not deductible under section 280C of the internal revenue code.
 - (1) Deduct the following payments made by the taxpayer in the tax year:
- (i) The amount of payment made under an advance tuition payment contract as provided in the Michigan education trust act, Act No. 316 of the Public Acts of 1986, being sections 390.1421 to 390.1444 of the Michigan Compiled Laws 1986 PA 316, MCL 390.1421 TO 390.1444.
- (ii) The amount of payment made under a contract with a private sector investment manager that meets all of the following criteria:
- (A) The contract is certified and approved by the board of directors of the Michigan education trust to provide equivalent benefits and rights to purchasers and beneficiaries as an advance tuition payment contract as described in subparagraph (i).
- (B) The contract applies only for a state institution of higher education as defined in the Michigan education trust act, Act No. 316 of the Public Acts of 1986 PA 316, MCL 390.1421 TO 390.1444, or a community or junior college in Michigan.
- (C) The contract provides for enrollment by the contract's qualified beneficiary in not less than 4 years after the date on which the contract is entered into.
 - (D) The contract is entered into after either of the following:

- (I) The purchaser has had his or her offer to enter into an advance tuition payment contract rejected by the board of directors of the Michigan education trust, if the board determines that the trust cannot accept an unlimited number of enrollees upon an actuarially sound basis.
- (II) The board of directors of the Michigan education trust determines that the trust can accept an unlimited number of enrollees upon an actuarially sound basis.
- (m) If an advance tuition payment contract under the Michigan education trust act, Act No. 316 of the Public Acts of 1986 PA 316, MCL 390.1421 TO 390.1444, or another contract for which the payment was deductible under subdivision (*l*) is terminated and the qualified beneficiary under that contract does not attend a university, college, junior or community college, or other institution of higher education, add the amount of a refund received by the taxpayer as a result of that termination or the amount of the deduction taken under subdivision (*l*) for payment made under that contract, whichever is less.
- (n) Deduct from the taxable income of a purchaser the amount included as income to the purchaser under the internal revenue code after the advance tuition payment contract entered into under the Michigan education trust act, Act No. 316 of the Public Acts of 1986 PA 316, MCL 390.1421 TO 390.1444, is terminated because the qualified beneficiary attends an institution of postsecondary education other than either a state institution of higher education or an institution of postsecondary education located outside this state with which a state institution of higher education has reciprocity.
- (o) Add, to the extent deducted in determining adjusted gross income, the net operating loss deduction under section 172 of the internal revenue code.
- (p) Deduct a net operating loss deduction for the taxable year as defined in DETERMINED UNDER section 172 of the internal revenue code subject to the modifications under section 172(b)(2) of the internal revenue code and subject to the allocation and apportionment provisions of chapter 3 of this act for the taxable year in which the loss was incurred.
- (q) For a tax year beginning after 1986, deduct, to the extent included in adjusted gross income, benefits from a discriminatory self-insurance medical expense reimbursement plan.
- (r) After September 30, 1994 and before the 1997 tax year, a taxpayer who is a senior citizen may deduct, to the extent included in adjusted gross income, interest and dividends received in the tax year not to exceed \$1,000.00 for a single return or \$2,000.00 for a joint return. However, for tax years before the 1997 tax year, the deduction under this subdivision shall not be taken if the taxpayer takes a deduction for retirement benefits under subdivision (e) or a deduction under subdivision (f)(i), (ii), (iv), or (v). For tax years after the 1996 tax year, a taxpayer who is a senior citizen may deduct to the extent included in adjusted gross income, interest, dividends, and capital gains received in the tax year not to exceed \$3,500.00 for a single return and \$7,000.00 for a joint return for the 1997 tax year, and \$7,500.00 for a single return and \$15,000.00 for a joint return for tax years after the 1996 tax year, the maximum amounts allowed under this subdivision shall be reduced by the amount of a deduction claimed for retirement benefits under subdivision (e) or a deduction claimed under subdivision (f)(i), (ii), (iv), or (v). For the 1995 tax year, for the 1996 tax year, and for each tax year after the 1998 tax year, the maximum amounts allowed under this subdivision shall be adjusted by the percentage increase in the United States consumer price index for the immediately preceding calendar year. The department shall annualize the amounts provided in this subdivision as necessary for tax years that end after September 30, 1994. As used in this subdivision, "senior citizen" means that term as defined in section 514.
 - (s) Deduct, to the extent included in adjusted gross income, all of the following:
 - (i) The amount of a refund received in the tax year based on taxes paid under this act.
- (ii) The amount of a refund received in the tax year based on taxes paid under the city income tax act, Act No. 284 of the Public Acts of 1964, being sections 141.501 to 141.787 of the Michigan Compiled Laws 1964 PA 284, MCL 141.501 TO 141.787.
- (iii) The amount of a credit received in the tax year based on a claim filed under sections 520 and 522 to the extent that the taxes used to calculate the credit were not used to reduce adjusted gross income for a prior year.
- (t) Add the amount paid by the state on behalf of the taxpayer in the tax year to repay the outstanding principal on a loan taken on which the taxpayer defaulted that was to fund an advance tuition payment contract entered into under the Michigan education trust act, Act No. 316 of the Public Acts of 1986 PA 316, MCL 390.1421 TO 390.1444, if the cost of the advance tuition payment contract was deducted under subdivision (*l*) and was financed with a Michigan education trust secured loan.
- (2) The following personal exemptions multiplied by the number of personal or dependency exemptions allowable on the taxpayer's federal income tax return pursuant to the internal revenue code shall be subtracted in the calculation that determines taxable income:
 - (a) For a tax year beginning during 1987\$1,600.00.(b) For a tax year beginning during 1988\$1,800.00.(c) For a tax year beginning during 1989\$2,000.00.(d) For a tax year beginning after 1989 and before 1995\$2,100.00.

- (f) Except as otherwise provided in subsection (7), for a tax year beginning after 1996...... \$2,500.00 \$2,700.00.
- (3) A single additional exemption of \$1,400.00 for a tax year beginning during 1987, \$1,200.00 for a tax year beginning during 1988, \$1,000.00 for a tax year beginning during 1989, and \$900.00 for a tax year beginning after 1989 shall be subtracted in the calculation that determines taxable income in each of the following circumstances:
- (a) The taxpayer is a paraplegic, a quadriplegic, a hemiplegic, a person who is blind as defined in section 504, or a totally and permanently disabled person as defined in section 522.
- (b) The taxpayer is a deaf person as defined in section 2 of the deaf persons' interpreters act, Act No. 204 of the Public Acts of 1982, being section 393.502 of the Michigan Compiled Laws 1982 PA 204, MCL 393.502.
 - (c) The taxpayer is 65 years of age or older.
 - (d) The return includes unemployment compensation that amounts to 50% or more of adjusted gross income.
- (4) For a tax year beginning after 1987, an individual with respect to whom a deduction under section 151 of the internal revenue code is allowable to another federal taxpayer during the tax year is not considered to have an allowable federal exemption for purposes of subsection (2), but may subtract \$500.00 in the calculation that determines taxable income for a tax year beginning in 1988 and \$1,000.00 for a tax year beginning after 1988.
- (5) A nonresident or a part-year resident is allowed that proportion of an exemption or deduction allowed under subsection (2), (3), or (4) that the taxpayer's portion of adjusted gross income from Michigan sources bears to the taxpayer's total adjusted gross income.
- (6) For a tax year beginning after 1987, in calculating taxable income, a taxpayer shall not subtract from adjusted gross income the amount of prizes won by the taxpayer under the McCauley-Traxler-Law-Bowman-McNeely lottery act, Act No. 239 of the Public Acts of 1972, being sections 432.1 to 432.47 of the Michigan Compiled Laws 1972 PA 239, MCL 432.1 TO 432.47.
- (7) For each tax year after the 1997 tax year, the personal exemption allowed under subsection (2) shall be adjusted by multiplying the exemption for the tax year beginning in 1997 by a fraction, the numerator of which is the United States consumer price index for the state fiscal year ending in the tax year prior to the tax year for which the adjustment is being made and the denominator of which is the United States consumer price index for the 1995-96 state fiscal year. The resultant product shall be rounded to the nearest \$100.00 increment which shall be the personal exemption for the tax year. As used in this section, "United States consumer price index" means the United States consumer price index for all urban consumers as defined and reported by the United States department of labor, bureau of labor statistics.
 - (8) As used in subsection (1)(f), "retirement or pension benefits" means distributions from all of the following:
- (a) Except as provided in subdivision (d), qualified pension trusts and annuity plans that qualify under section 401(a) of the internal revenue code, including all of the following:
 - (i) Plans for self-employed persons, commonly known as Keogh or HR 10 plans.
- (ii) Individual retirement accounts that qualify under section 408 of the internal revenue code if the distributions are not made until the participant has reached 59-1/2 years of age, except in the case of death, disability, or distributions described by section 72(t)(2)(iv) 72(t)(2)(iv) of the internal revenue code.
- (iii) Employee annuities or tax-sheltered annuities purchased under section 403(b) of the internal revenue code by organizations exempt under section 501(c)(3) of the internal revenue code, or by public school systems.
- (iv) Distributions from a 401k plan attributable to employee contributions mandated by the plan or attributable to employer contributions.
 - (b) The following retirement and pension plans not qualified under the internal revenue code:
- (i) Plans of the United States, state governments other than this state, and political subdivisions, agencies, or instrumentalities of this state.
 - (ii) Plans maintained by a church or a convention or association of churches.
- (iii) All other unqualified pension plans that prescribe eligibility for retirement and predetermine contributions and benefits if the distributions are made from a pension trust.
- (c) Retirement or pension benefits received by a surviving spouse if those benefits qualified for a deduction prior to the decedent's death. Benefits received by a surviving child are not deductible.
 - (d) Retirement and pension benefits do not include:
- (i) Amounts received from a plan that allows the employee to set the amount of compensation to be deferred and does not prescribe retirement age or years of service. These plans include, but are not limited to, all of the following:
 - (A) Deferred compensation plans under section 457 of the internal revenue code.
- (B) Distributions from plans under section 401(k) of the internal revenue code other than plans described in subdivision (a)(iv).
- (C) Distributions from plans under section 403(b) of the internal revenue code other than plans described in subdivision (a)(iii).
- (ii) Premature distributions paid on separation, withdrawal, or discontinuance of a plan prior to the earliest date the recipient could have retired under the provisions of the plan.
 - (iii) Payments received as an incentive to retire early unless the distributions are from a pension trust.".

Point of Order

Rep. Profit requested the Chair to rule on the question of whether or not the amendment offered by Rep. Goschka is germane.

The Chair ruled that the amendment is not germane. HB 4213 as it was introduced is a single section bill to deal with dependent care. The amendment strikes out the provisions originally included in the bill and introduces an entirely new proposition to the bill.

Rep. Gustafson appealed the decision of the Chair.

The question being, "Shall the judgment of the Chair stand as the judgment of the House?"

The judgment of the Chair stood as the judgment of the House, a majority of the members present and voting, voting therefor, by yeas and nays, as follows:

Roll Call No. 136 Yeas—53

Agee	Frank	Leland	Schauer
Anthony	Freeman	Mans	Schermesser
Baird	Gagliardi	Martinez	Schroer
Bogardus	Gire	Mathieu	Scott
Brater	Gubow	Murphy	Stallworth
Brewer	Hale	Olshove	Tesanovich
Brown	Hanley	Owen	Thomas
Callahan	Harder	Parks	Varga
Cherry	Hertel	Price	Vaughn
Ciaramitaro	Hood	Profit	Wallace
Curtis	Kelly	Prusi	Wetters
DeHart	Kilpatrick	Quarles	Willard
Dobronski	LaForge	Rison	Wojno
Emerson	Č		,

Nays—49

Bankes	Galloway	Jellema	Middleton
Birkholz	Geiger	Johnson	Nye
Bobier	Gilmer	Kaza	Oxender
Bodem	Godchaux	Kukuk	Perricone
Brackenridge	Goschka	Law	Raczkowski
Byl	Green	LeTarte	Richner
Cassis	Gustafson	Llewellyn	Rocca
Crissman	Hammerstrom	London	Scranton
Cropsey	Horton	Lowe	Sikkema
Dalman	Jansen	McBryde	Voorhees
DeVuyst	Jaye	McManus	Walberg
Dobb	Jelinek	McNutt	Whyman
Fitzgerald			

In The Chair: Gire

Rep. Hammerstrom moved that Rep. Green be granted a temporary excuse from today's session. The motion prevailed.

Rep. Cassis moved to amend the bill as follows:

1. Amend page 1, following line 11, following subsection (3), by inserting:

"Enacting section 1. This amendatory act does not take effect unless House Bill 4371 of the 89th Legislature is enacted into law.".

The question being on the adoption of the amendment offered by Rep. Cassis,

Rep. Cassis demanded the yeas and nays.

The demand was supported.

The question being on the adoption of the amendment offered by Rep. Cassis,

The amendment was not adopted, a majority of the members serving not voting therefor, by yeas and nays, as follows:

Yeas-49

Roll Call No. 137

Bankes Galloway Nye Johnson Birkholz Geiger Kaza Oxender **Bobier** Gilmer Kukuk Perricone Godchaux Raczkowski Bodem Law LeTarte Brackenridge Goschka Rhead Richner Gustafson Llewellyn Byl Cassis Hammerstrom London Rocca Lowe Crissman Horton Scranton Cropsev Jansen McBrvde Sikkema Dalman Jave McManus Voorhees DeVuyst Jelinek McNutt Walberg Dobb Jellema Middleton Whyman Fitzgerald

Nays-47

Agee Dobronski Leland Schermesser Anthony Emerson Mans Schroer Baird Frank Martinez Scott Bogardus Olshove Stallworth Gubow Brater Hale Owen Tesanovich Brewer Hanley Palamara **Thomas** Harder Varga Brown Parks Hertel Price Vaughn Callahan Wallace Cherry Hood Prusi Ciaramitaro Kelly Ouarles Wetters Curtis Kilpatrick Rison Wojno DeHart LaForge Schauer

In The Chair: Gire

Rep. Perricone moved to amend the bill as follows:

1. Amend page 1, line 1, after "YEAR" by striking out "ONLY" and inserting "AND EACH TAX YEAR AFTER THE 1997 TAX YEAR".

The question being on the adoption of the amendment offered by Rep. Perricone,

Rep. Perricone demanded the yeas and nays.

The demand was supported.

The question being on the adoption of the amendment offered by Rep. Perricone,

The amendment was adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 138 Yeas—100

Agee	Fitzgerald	Kelly	Profit
Anthony	Frank	Kukuk	Prusi
Baird	Freeman	LaForge	Quarles
Bankes	Gagliardi	Law	Raczkowski
Birkholz	Galloway	Leland	Rhead

Bobier Geiger Gilmer Bodem **Bogardus** Gire Brackenridge Godchaux Brater Goschka Gubow Brewer Brown Gustafson Byl Hale Callahan Hammerstrom Cassis Hanley Harder Cherry Ciaramitaro Hertel Crissman Hood Cropsey Horton Curtis Jansen Dalman Jaye Jelinek DeHart **DeVuvst** Jellema Dobb Johnson

LeTarte Llewellyn London Lowe Mans Martinez Mathieu McBryde McManus McNutt Middleton Murphy Nye Olshove Owen Oxender Palamara Parks Perricone Price

Rocca Schauer Schermesser Scott Scranton Sikkema Stallworth Tesanovich Thomas Varga Vaughn Voorhees Walberg Wallace Wetters Whyman Willard Wojno

Richner

Rison

Nays—3

Emerson Kilpatrick Schroer

Kaza

In The Chair: Gire

Dobronski

Rep. Cropsey moved that the vote by which the House did not adopt the Dobb substitute (H-7) be reconsidered.

The question being on the motion by Rep. Cropsey,

Rep. Cropsey demanded the yeas and nays.

The demand was supported.

The question being on the motion by Rep. Cropsey,

After debate,

Rep. Gagliardi demanded the previous question.

The demand was supported.

The question being, "Shall the main question now be put?"

The previous question was ordered.

The question being on the motion by Rep. Cropsey,

The motion did not prevail, a majority of the members present and voting, not voting therefor, by yeas and nays, as follows:

Roll Call No. 139 Yeas—49

Bankes Galloway Johnson Nye Birkholz Geiger Kaza Oxender **Bobier** Gilmer Kukuk Perricone Bodem Godchaux Law Raczkowski Brackenridge Goschka LeTarte Rhead Byl Gustafson Llewellyn Richner Cassis Hammerstrom London Rocca Crissman Horton Lowe Scranton Cropsey Jansen McBryde Sikkema McManus Dalman Jaye Voorhees DeVuyst Jelinek McNutt Walberg Dobb Jellema Middleton Whyman Fitzgerald

Ouarles

Rhead

Rison

Rocca

Schauer

Scranton

Sikkema

Thomas

Vaughn

Varga

Stallworth

Tesanovich

Schermesser

Richner

Raczkowski

Nays—54

Agee Frank Mans Schauer Anthony Martinez Schermesser Freeman Baird Gagliardi Mathieu Schroer **Bogardus** Gire Murphy Scott Brater Gubow Olshove Stallworth Brewer Hale Owen Tesanovich Brown Hanley Palamara Thomas Harder Callahan Parks Varga Hertel Vaughn Cherry Price Wallace Ciaramitaro Hood **Profit** Curtis Kelly Prusi Wetters DeHart Kilpatrick **Ouarles** Willard LaForge Dobronski Rison Wojno Emerson Leland

In The Chair: Gire

Rep. Olshove moved that the bill be placed on the order of Third Reading of Bills.

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

Rep. Gagliardi moved that the bill be placed on its immediate passage.

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

By unanimous consent the House returned to the order of

Third Reading of Bills

House Bill No. 4213, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," (MCL 206.1 to 206.532) by adding section 266.

The bill was read a third time.

The question being on the passage of the bill,

After debate.

Rep. Palamara demanded the previous question.

The demand was supported.

The question being, "Shall the main question now be put?"

The previous question was ordered.

The question being on the passage of the bill,

The bill was then passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 140 Yeas—84

Frank LaForge Agee Anthony Freeman Law Baird Gagliardi Llewellyn Birkholz Galloway London Bodem Gire Mans **Bogardus** Goschka Martinez Brackenridge Griffin Mathieu Brater Gubow McBryde Brewer Gustafson McManus Brown Hale McNutt Callahan Hammerstrom Middleton Cassis Hanley Murphy Cherry Harder Olshove Hertel Ciaramitaro Owen Crissman Hood Oxender

Curtis Jaye Palamara Voorhees Jelinek Wallace DeHart Parks DeVuyst Kaza Perricone Wetters Dobb Kelly Price Whyman Kilpatrick Willard Dobronski **Profit** Fitzgerald Kukuk Prusi Wojno

Nays—18

Bankes Emerson Jansen Lowe **Bobier** Geiger Jellema Nye Byl Gilmer Johnson Schroer Cropsey Godchaux LeTarte Walberg Dalman Horton

In The Chair: Gire

The House agreed to the title of the bill.

Rep. Gagliardi moved that the bill be given immediate effect.

The motion prevailed, two-thirds of the members serving voting therefor.

Rep. Gilmer, having reserved the right to explain his protest against the passage of the bill, made the following statement:

"Mr. Speaker and members of the House:

Today, I voted 'no' on final passage of House Bill 4213 for four reasons:

- 1. This bill is estimated to cost \$36 million in lost revenue to the General Fund. There are no provisions to cut the necessary spending to pay for this tax cut. An unfunded tax cut is phony.
- 2. This bill discriminates against many families who care for disabled persons in their homes.
- 3. It allows for many families to double dip the credit while denying many families the credit.
- 4. As of this date, we have passed tax cuts of over \$220 million with no consideration for the budget cuts necessary to pay for these promised tax cuts."

By unanimous consent the House returned to the order of

Motions and Resolutions

Reps. Gagliardi and Gustafson offered the following concurrent resolution:

House Concurrent Resolution No. 31.

A concurrent resolution prescribing the legislative schedule.

Resolved by the House of Representatives (the Senate concurring), That when the House of Representatives adjourns on Thursday, March 20, 1997, it stand adjourned until Tuesday, April 8, 1997; and be it further

Resolved, That when the Senate adjourns on Thursday, March 27, 1997, it stand adjourned until Tuesday, April 15, 1997.

Pending the reference of the concurrent resolution to a committee,

Rep. Gagliardi moved that Rule 77 be suspended and the concurrent resolution be considered at this time.

The motion prevailed, three-fifths of the members present voting therefor.

The question being on the adoption of the concurrent resolution,

The concurrent resolution was adopted.

Rep. Gagliardi moved that when the House adjourns today it stand adjourned until Tuesday, April 8, at 2:00 p.m. The motion prevailed.

Announcement by the Clerk of Printing and Enrollment

The Clerk announced that the following Senate bills had been received on Thursday, March 20: Senate Bill Nos. 174 225 302

By unanimous consent the House returned to the order of

Reports of Select Committees

Joint Committee on Administrative Rules

Certificates of Approval

Date: March 19, 1997 Subject: Trans. No. 97-22

I hereby certify that the Joint Committee on Administrative Rules approved the administrative rules from the Community Health Department, Health Legislation and Policy Development, pertaining to General Rules, dated March 17, 1997.

Date: March 19, 1997 Subject: Trans. No. 97-01

I hereby certify that the Joint Committee on Administrative Rules approved the administrative rules from the Education Department, State Board of Education, pertaining to Special Education Programs and Services, dated September 26, 1996.

Sincerely, REPRESENTATIVE CANDACE A. CURTIS Chair

Reports of Standing Committees

The Committee on Education, by Rep. Gire, Chair, reported

House Bill No. 4066, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," (MCL 380.1 to 380.1852) by amending the title, as amended by 1995 PA 289, and by adding part 28a; and to repeal acts and parts of acts.

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

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

HB 4066 To Report Out:

Yeas: Reps. Gire, Bogardus, Agee, Brown, Cherry, Curtis, Kilpatrick, Schauer, Scott, Dalman, Crissman, Jelinek, LeTarte, McNutt, Middleton,

Nays: Reps. LaForge, Cropsey.

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Gire, Chair of the Committee on Education, was received and read: Meeting held on: Thursday, March 20, 1997, at 9:00 a.m.,

Present: Reps. Gire, Bogardus, Agee, Brown, Cherry, Curtis, Kilpatrick, LaForge, Schauer, Scott, Dalman, Crissman, Cropsey, Jelinek, LeTarte, McNutt, Middleton.

The Committee on Corrections, by Rep. Freeman, Chair, reported

House Bill No. 4515, entitled

A bill to amend 1953 PA 232, entitled "An act to revise, consolidate, and codify the laws relating to probationers and probation officers, to pardons, reprieves, commutations, and paroles, to the administration of correctional institutions, correctional farms, and probation recovery camps, to prisoner labor and correctional industries, and to the

supervision and inspection of local jails and houses of correction; to provide for the siting of correctional facilities; to create a state department of corrections, and to prescribe its powers and duties; to provide for the transfer to and vesting in said department of powers and duties vested by law in certain other state boards, commissions, and officers, and to abolish certain boards, commissions, and offices the powers and duties of which are transferred by this act; to prescribe the powers and duties of certain other state departments and agencies; to provide for the creation of a local lockup advisory board; to prescribe penalties for the violation of the provisions of this act; to make certain appropriations; to repeal certain parts of this act on specific dates; and to repeal all acts and parts of acts inconsistent with the provisions of this act," by amending section 33 (MCL 791.233), as amended by 1994 PA 217.

With the recommendation that the following amendment be adopted and that the bill then pass.

1. Amend page 3, line 27, after "CERTIFICATE." by inserting "THIS SUBDIVISION APPLIES TO PRISONERS SENTENCED FOR CRIMES COMMITTED AFTER THE EFFECTIVE DATE OF THE 1997 AMENDATORY ACT THAT AMENDED THIS SECTION. IN PROVIDING AN EDUCATIONAL PROGRAM LEADING TO A HIGH SCHOOL DEGREE OR GENERAL EDUCATION DEVELOPMENT CERTIFICATE, THE DEPARTMENT SHALL GIVE PRIORITY TO PRISONERS SENTENCED FOR CRIMES COMMITTED ON OR BEFORE THE EFFECTIVE DATE OF THE 1997 AMENDATORY ACT THAT AMENDED THIS SECTION.".

The bill and amendment were referred to the order of Second Reading of Bills.

Favorable Roll Call

HB 4515 To Report Out:

Yeas: Reps. Freeman, Mans, Agee, Callahan, DeHart,

Nays: None.

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Freeman, Chair of the Committee on Corrections, was received and read:

Meeting held on: Thursday, March 20, 1997, at 8:30 a.m.,

Present: Reps. Freeman, Mans, Agee, Callahan, DeHart, Jaye, Perricone,

Absent: Reps. Galloway, Nye,

Excused: Rep. Nye.

Messages from the Senate

Senate Bill No. 164, entitled

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 1998; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

The Senate has passed the bill.

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

Senate Bill No. 174, entitled

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 1998; to provide for the imposition of fees; to create certain work groups and committees; to provide for reports; to create certain funds; to prescribe requirements for certain railroad facilities; to prescribe certain powers and duties of certain state departments and officials, local units of government, committees, and work groups; and to provide for the expenditure of the appropriations.

The Senate has passed the bill.

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

Senate Bill No. 225, entitled

A bill to amend 1984 PA 431, entitled "The management and budget act," (MCL 18.1101 to 18.1594) by adding section 353d.

The Senate has passed the bill.

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

Senate Bill No. 302, entitled

A bill to make appropriations for the state transportation department and the department of state police for the fiscal year ending September 30, 1997; to adjust certain appropriations for the fiscal year ending September 30, 1997; and to provide for the expenditure of the appropriations.

The Senate has passed the bill.

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

Senate Concurrent Resolution No. 26.

A concurrent resolution prescribing the legislative schedule.

(For text of resolution, see Senate Journal No. 25, p. 325.)

The Senate adopted the concurrent resolution.

The concurrent resolution was referred to the Committee on House Oversight and Ethics.

Introduction of Bills

Rep. Griffin introduced

House Bill No. 4535, entitled

A bill to amend 1980 PA 299, entitled "Occupational code," by amending section 2012 (MCL 339.2012), as amended by 1992 PA 103.

The bill was read a first time by its title and referred to the Committee on Regulatory Affairs.

Rep. Profit introduced

House Bill No. 4536, entitled

A bill to amend 1957 PA 206, entitled "An act to authorize 2 or more counties, cities, townships and incorporated villages, or any combination thereof, to incorporate an airport authority for the planning, promoting, acquiring, constructing, improving, enlarging, extending, owning, maintaining and operating the landing, navigational and building facilities necessary thereto of 1 or more community airports; to provide for changes in the membership therein; to authorize an authority or the counties, cities, townships and incorporated villages that form an authority to levy taxes for such purposes; to provide for the operation and maintenance and issuing notes therefor; and to authorize condemnation proceedings," by amending the title and sections 1, 3, 4, 7, 8, and 11 (MCL 259.621, 259.623, 259.624, 259.627, 259.628, and 259.631), the title as amended by 1987 PA 153, sections 1, 3, 4, and 8 as amended by 1982 PA 312, and section 7 as amended by 1983 PA 182.

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

Reps. Bobier, Birkholz, Fitzgerald, Jellema, McBryde, Goschka, Lowe, Hale, Richner, LeTarte, Gilmer, Dalman, Schauer, McNutt and Jaye introduced

House Bill No. 4537, entitled

A bill to amend 1976 PA 388, entitled "Michigan campaign finance act," by amending section 16 (MCL 169.216), as amended by 1992 PA 188.

The bill was read a first time by its title and referred to the Committee on House Oversight and Ethics.

Reps. Richner, Griffin, Freeman, Raczkowski, Goschka, Schauer, Rocca, Jaye, Jelinek, Kukuk, Anthony, Godchaux, Callahan, Kaza, Jellema, Cropsey, McBryde, Birkholz, Willard, Scranton, Byl, McManus, Cassis, Fitzgerald, DeVuyst, Jansen, Crissman, Dalman, Alley, Gustafson, Perricone and Voorhees introduced

House Bill No. 4538, entitled

A bill to require certain credit reporting agencies to disclose certain information to certain consumers.

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

Rep. Profit introduced

House Bill No. 4539, entitled

A bill to amend 1953 PA 232, entitled "An act to revise, consolidate, and codify the laws relating to probationers and probation officers, to pardons, reprieves, commutations, and paroles, to the administration of correctional institutions, correctional farms, and probation recovery camps, to prisoner labor and correctional industries, and to the supervision and inspection of local jails and houses of correction; to provide for the siting of correctional facilities; to create a state department of corrections, and to prescribe its powers and duties; to provide for the transfer to and

vesting in said department of powers and duties vested by law in certain other state boards, commissions, and officers, and to abolish certain boards, commissions, and offices the powers and duties of which are transferred by this act; to prescribe the powers and duties of certain other state departments and agencies; to provide for the creation of a local lockup advisory board; to prescribe penalties for the violation of the provisions of this act; to make certain appropriations; to repeal certain parts of this act on specific dates; and to repeal all acts and parts of acts inconsistent with the provisions of this act," by amending section 34 (MCL 791.234), as amended by 1994 PA 345.

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

Rep. Profit introduced

House Bill No. 4540, entitled

A bill to amend 1953 PA 232, entitled "An act to revise, consolidate, and codify the laws relating to probationers and probation officers, to pardons, reprieves, commutations, and paroles, to the administration of correctional institutions, correctional farms, and probation recovery camps, to prisoner labor and correctional industries, and to the supervision and inspection of local jails and houses of correction; to provide for the siting of correctional facilities; to create a state department of corrections, and to prescribe its powers and duties; to provide for the transfer to and vesting in said department of powers and duties vested by law in certain other state boards, commissions, and officers, and to abolish certain boards, commissions, and offices the powers and duties of which are transferred by this act; to prescribe the powers and duties of certain other state departments and agencies; to provide for the creation of a local lockup advisory board; to prescribe penalties for the violation of the provisions of this act; to make certain appropriations; to repeal certain parts of this act on specific dates; and to repeal all acts and parts of acts inconsistent with the provisions of this act," by amending section 34a (MCL 791.234a), as amended by 1994 PA 427.

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

Rep. Profit introduced

House Bill No. 4541, entitled

A bill to amend 1985 PA 87, entitled "Crime victim's rights act," by amending the title and sections 19 and 21 (MCL 780.769 and 780.771), the title as amended by 1988 PA 22 and section 19 as amended by 1996 PA 105.

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

Reps. Bobier, Middleton, Alley, Goschka, Godchaux, Hale, Gilmer, Leland, Gernaat, Dalman, McNutt, Galloway, McManus and Horton introduced

House Joint Resolution O, entitled

A joint resolution proposing an amendment to the state constitution of 1963, by amending section 10 of article II, section 54 of article IV, section 30 of article V, and sections 3, 5, and 7 of article VIII and adding section 35 to article VII and section 10 to article VIII, to provide term limits for certain federal, state, and local offices.

The joint resolution was read a first time by its title and referred to the Committee on House Oversight and Ethics.

Reps. Dalman, McBryde, Kaza, Goschka, Bodem, Birkholz, Johnson, Bankes, London, McNutt, Bobier and Jaye introduced

House Joint Resolution P, entitled

A joint resolution proposing an amendment to the state constitution of 1963, by amending section 5 of article VIII, to provide term limits for elected state university board members.

The joint resolution was read a first time by its title and referred to the Committee on Colleges and Universities.

Rep. Willard moved that the House adjourn.

The motion prevailed, the time being 2:15 p.m.

The Associate Speaker Pro Tempore declared the House adjourned until Tuesday, April 8, at 2:00 p.m.

MARY KAY SCULLION Clerk of the House of Representatives.