

No. 20
JOURNAL OF THE SENATE

Senate Chamber, Lansing, Thursday, March 2, 2000.

10:00 a.m.

The Senate was called to order by the President pro tempore, Senator John J.H. Schwarz.

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

Bennett—present
Bullard—present
Byrum—present
Cherry—present
DeBeaussaert—present
DeGrow—present
Dingell—present
Dunaskiss—present
Emerson—present
Emmons—present
Gast—present
Goschka—present
Gougeon—present

Hammerstrom—present
Hart—present
Hoffman—present
Jaye—present
Johnson—present
Koivisto—present
Leland—present
McCotter—present
McManus—present
Miller—present
Murphy—excused
North—present
Peters—present

Rogers—present
Schuette—present
Schwarz—present
Shugars—present
Sikkema—present
A. Smith—present
V. Smith—excused
Steil—present
Stille—present
Van Regenmorter—present
Vaughn—present
Young—present

Pastor Paul Silvka of Port Sanilac Baptist Church of Port Sanilac offered the following invocation:

Gracious Heavenly Father, we humbly bow before Your presence today. I pray for Your divine wisdom on behalf of these, the men and women of the Michigan Senate. Endue them with Your wisdom as they legislate the laws that will govern our lives for generations to come. May their decisions be both moral and just and for the betterment of all mankind. It is in the name of Jesus Christ Your Son that we pray. Amen.

Motions and Communications

Senator Rogers moved that Senator Dunaskiss be temporarily excused from today's session.
The motion prevailed.

Senator Emerson moved that Senators Murphy and V. Smith be excused from today's session.
The motion prevailed.

The Secretary announced that the following House bills were received in the Senate and filed on Wednesday, March 1:
House Bill Nos. 4690 5291 5292 5293

The Secretary announced the enrollment printing and presentation to the Governor on Wednesday, March 1, for his approval the following bills:

Enrolled Senate Bill No. 589 at 2:28 p.m.

Enrolled Senate Bill No. 590 at 2:30 p.m.

Enrolled Senate Bill No. 591 at 2:32 p.m.

Enrolled Senate Bill No. 594 at 2:34 p.m.

Enrolled Senate Bill No. 803 at 2:36 p.m.

Enrolled Senate Bill No. 866 at 2:38 p.m.

The Secretary announced the printing and placement in the members' files on Wednesday, March 1, of:

House Bill Nos. 5460 5461 5462 5463 5464 5465 5466 5467 5468 5469 5470 5471 5472 5473

Senators Hammerstrom, Dunaskiss and Cherry entered the Senate Chamber.

Senator Rogers moved that a statement of the Secretary of the Senate be printed in the Journal.

The motion prevailed.

The Secretary of the Senate's statement is as follows:

I would like to announce that Harry Bell, who is one of our employees who has worked in the chamber, will be leaving our employment. Harry has worked here since 1994 assisting the Senators on the floor with their computers and helping Senate staff on the Help Desk. He has accepted a position with the Department of Agriculture as their webmaster, and we'd like to thank Harry for his fine work and wish him well.

Messages from the Governor

The following messages from the Governor were received and read:

March 1, 2000

There are herewith presented for consideration and confirmation by the Senate, the following reappointments to office:

Board of Health and Safety Compliance and Appeals

Ms. Susan L. Paauwe, 1885 West 32nd Street, Holland, Michigan 49423, county of Ottawa, as a member representing management in the health industry, succeeding herself, for a term expiring on March 18, 2004.

Mr. Samuel T. Hart, 8605 East Denver Road, Mt. Pleasant, Michigan 48858-9246, county of Isabella, as a member representing construction employees, succeeding himself, for a term expiring on March 18, 2004.

March 1, 2000

There is herewith presented for consideration and confirmation by the Senate, the following appointment to office:

Board of Mechanical Rules

Mr. Thomas P. Lisowski, 37795 Lakeshore Drive, Harrison Township, Michigan 48045, county of Macomb, as a member representing HVAC equipment installation, succeeding Mr. Maurice Bouchard of West Bloomfield, who has resigned, for a term expiring on October 1, 2000.

March 1, 2000

There are herewith presented for consideration and confirmation by the Senate, the following reappointments to office:

Construction Safety Standards Commission

Mr. Charles Alfred Gatecliff, 5264 Pinewood Drive, Brighton, Michigan 48116, county of Livingston, as a member representing construction management, succeeding himself, for a term expiring on March 18, 2003.

Mr. Carl E. Davis, 4234 East Outer Drive, Detroit, Michigan 48234, county of Wayne, as a member representing public employees, succeeding himself, for a term expiring on March 18, 2003.

Sincerely,
John Engler
Governor

The appointments were referred to the Committee on Government Operations.

Messages from the House

Senate Bill No. 857, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 33, 79, 216, 217b, 233a, 301, 657, 660, 705, and 801 (MCL 257.33, 257.79, 257.216, 257.217b, 257.233a, 257.301, 257.657, 257.660, 257.705, and 257.801), section 33 as amended by 1997 PA 56, section 79 as amended by 1992 PA 134, section 216 as amended by 1996 PA 141, section 233a as amended by 1988 PA 470, section 301 as amended by 1988 PA 346, section 660 as amended by 1994 PA 348, section 705 as amended by 1995 PA 91, and section 801 as amended by 1998 PA 384, and by adding sections 25b and 658b.

The House of Representatives has substituted (H-3) the bill.

The House of Representatives has passed the bill as substituted (H-3), ordered that it be given immediate effect and amended the title to read as follows:

A bill to amend 1949 PA 300, entitled "An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents and nonresidents; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date," by amending sections 217b, 233a, 657, 660, 705, and 801 (MCL 257.217b, 257.233a, 257.657, 257.660, 257.705, and 257.801), section 233a as amended by 1988 PA 470, section 660 as amended by 1994 PA 348, section 705 as amended by 1995 PA 91, and section 801 as amended by 1998 PA 384, and by adding sections 25b, 606a, and 658b.

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

By unanimous consent the Senate proceeded to the order of

Third Reading of Bills

By unanimous consent the Senate proceeded to consideration of the following bill:

House Bill No. 4807, entitled

A bill to amend 1978 PA 368, entitled "Public health code," (MCL 333.1101 to 333.25211) by adding sections 18826 and 18827.

The above bill was read a third time.

The question being on the passage of the bill,

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

Roll Call No. 35

Yeas—36

Bennett	Emmons	Koivisto	Schwarz
Bullard	Gast	Leland	Shugars
Byrum	Goschka	McCotter	Sikkema
Cherry	Gougeon	McManus	Smith, A.
DeBeaussaert	Hammerstrom	Miller	Steil
DeGrow	Hart	North	Stille

Dingell
Dunaskiss
Emerson

Hoffman
Jaye
Johnson

Peters
Rogers
Schuette

Van Regenmorter
Vaughn
Young

Nays—0

Excused—2

Murphy

Smith, V.

Not Voting—0

In The Chair: Schwarz

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

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

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

“An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates.”.

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 4903, entitled

A bill to amend 1978 PA 368, entitled “Public health code,” by amending sections 18802 and 18838 (MCL 333.18802 and 333.18838), section 18802 as amended by 1982 PA 353.

The question being on the passage of the bill,

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

Roll Call No. 36

Yeas—36

Bennett
Bullard
Byrum
Cherry
DeBeaussiaert
DeGrow
Dingell
Dunaskiss
Emerson

Emmons
Gast
Goschka
Gougeon
Hammerstrom
Hart
Hoffman
Jaye
Johnson

Koivisto
Leland
McCotter
McManus
Miller
North
Peters
Rogers
Schuette

Schwarz
Shugars
Sikkema
Smith, A.
Steil
Stille
Van Regenmorter
Vaughn
Young

Nays—0

Excused—2

Murphy

Smith, V.

Not Voting—0

In The Chair: Schwarz

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

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

“An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates.”.

The Senate agreed to the full title.

The following bill was read a third time:

Senate Bill No. 1036, entitled

A bill to amend 1967 PA 281, entitled “Income tax act of 1967,” by amending section 30d (MCL 206.30d), as added by 1997 PA 81.

The question being on the passage of the bill,

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

Roll Call No. 37

Yeas—36

Bennett
Bullard
Byrum
Cherry
DeBeaussaert
DeGrow
Dingell
Dunaskiss
Emerson

Emmons
Gast
Goschka
Gougeon
Hammerstrom
Hart
Hoffman
Jaye
Johnson

Koivisto
Leland
McCotter
McManus
Miller
North
Peters
Rogers
Schuette

Schwarz
Shugars
Sikkema
Smith, A.
Steil
Stille
Van Regenmorter
Vaughn
Young

Nays—0

Excused—2

Murphy

Smith, V.

Not Voting—0

In The Chair: Schwarz

The Senate agreed to the title of the bill.

Senators Peters, DeBeaussaert, Miller, McManus and Young moved that they be named co-sponsors of the following bill:
Senate Bill No. 1036
 The motion prevailed.

The following bill was read a third time:

Senate Bill No. 1037, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 30 (MCL 206.30), as amended by 1999 PA 181.

The question being on the passage of the bill,

Senator Jaye offered the following amendment:

1. Amend page 9, following line 17, by inserting:

"(W) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 1999, A TAXPAYER WHO IS 62 YEARS OF AGE OR OLDER MAY DEDUCT, TO THE EXTENT INCLUDED IN ADJUSTED GROSS INCOME, RENTAL INCOME RECEIVED IN THE TAX YEAR NOT TO EXCEED \$30,000.00 FOR A SINGLE RETURN OR \$50,000.00 FOR A JOINT RETURN."

The amendment was not adopted, a majority of the members serving not voting therefor.

Senator Emmons offered the following amendment:

1. Amend page 10, line 9, after "income" by striking out the colon and inserting "in each of the following circumstances:".

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

The question being on the passage of the bill,

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

Roll Call No. 38**Yeas—36**

Bennett	Emmons	Koivisto	Schwarz
Bullard	Gast	Leland	Shugars
Byrum	Goschka	McCotter	Sikkema
Cherry	Gougeon	McManus	Smith, A.
DeBeaussaert	Hammerstrom	Miller	Steil
DeGrow	Hart	North	Stille
Dingell	Hoffman	Peters	Van Regenmorter
Dunaskiss	Jaye	Rogers	Vaughn
Emerson	Johnson	Schuette	Young

Nays—0**Excused—2**

Murphy

Smith, V.

Not Voting—0

In The Chair: Schwarz

The Senate agreed to the title of the bill.

Senator Jaye asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator Jaye's statement is as follows:

Mr. President and Senate colleagues, what this bill does is it provides property tax relief to senior citizens who rely on rental properties for their retirement income. There is a disparity in Michigan where people who earn their retirement income by different sources are taxed differently. We who receive a public pension are totally exempt from state income taxes when we're senior citizens—any state employee, government employee, or elected officials. Their pensions are totally tax-exempt. If you have a pension paid by a private company—Ford, Daimler-Chrysler, GM, or Detroit Edison—it's taxed after the first \$30,000 as a single person or \$60,000 as a married couple. However, over half of the people in Michigan do not have a pension, so they must rely on their own private savings in order to pay for their needs in their twilight years. Unfortunately, if you have a rental property—let's say you're in a duplex and you're renting out the other half of your home or you only have a home and you're renting out a room—you have to pay taxes on the first dollar of that income. Most of these are senior citizen ladies whose homestead was something they and their husbands worked for all of their lives.

So what this amendment does is it provides some property tax relief to the senior citizens of Michigan, mostly elderly women, who are relying on a rental property to pay the bills. What this amendment does then is it mirrors the tax break as if they would have had a company pension. It says that the rental income of that senior citizen lady would receive would be exempt up to \$30,000, if she happened to be single, and up to \$50,000, if she's fortunate enough to still have her husband around.

This amendment is modest. It's targeted. It establishes equity for retirement income. It's affordable. The Senate Fiscal Agency estimates that it would cost \$22 million in each of the next fiscal years—\$22 million.

I would like to remind my Senate colleagues that we already have \$1.2 billion in the current budget surplus—\$356 million in the general fund, \$765 in the School Aid Fund, and \$1.2 billion is an addition to the \$1.3 billion in the state rainy day fund. I asked the Senate Fiscal Agency how many times the rainy day fund has been raided for spending by the state Legislature in noneconomic, downturn times. Fourteen times the Legislature and the Governor have raided the rainy day fund. So our rainy day fund would even be higher if we hadn't raided it. In fact, our rainy day fund is the highest of all fifty states, except for Alaska. Alaska is a special case because of their oil revenues, which we all know how high gas prices are.

So this is a targeted, affordable, and a fair tax cut that is eligible to any senior citizen who had the discipline to save so that they wouldn't be a burden on the taxpayers in their golden years. I request your support of this tax cut.

Senators Peters, Young, DeBeaussiaert, Jaye, A. Smith, McManus, Koivisto, Miller, Hart, Hoffman, Dunaskiss, Vaughn, Leland and Byrum moved that they be named co-sponsors of the following bill:

Senate Bill No. 1037

The motion prevailed.

The following bill was read a third time:

Senate Bill No. 1038, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," (MCL 206.1 to 206.532) by adding section 30e.

The question being on the passage of the bill,

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

Roll Call No. 39

Yeas—36

Bennett	Emmons	Koivisto	Schwarz
Bullard	Gast	Leland	Shugars
Byrum	Goschka	McCotter	Sikkema
Cherry	Gougeon	McManus	Smith, A.
DeBeaussiaert	Hammerstrom	Miller	Steil
DeGrow	Hart	North	Stille
Dingell	Hoffman	Peters	Van Regenmorter
Dunaskiss	Jaye	Rogers	Vaughn
Emerson	Johnson	Schuette	Young

Nays—0

Excused—2

Murphy

Smith, V.

Not Voting—0

In The Chair: Schwarz

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 1039, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 522 (MCL 206.522), as amended by 1996 PA 484.

The question being on the passage of the bill,

Senator Jaye offered the following amendments:

1. Amend page 4, line 23, after "section" by inserting a comma and "EXCEPT FOR THE AMOUNT ALLOWED UNDER SUBSECTION (10)."

2. Amend page 5, following line 8, by inserting:

"(10) IN ADDITION TO ANY OTHER CREDIT ALLOWED UNDER THIS SECTION, A TAXPAYER WHO BUYS HOMESTEAD PROPERTY FROM A FAMILY MEMBER MAY CLAIM AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN THE PROPERTY TAXES PAID IN THE TAX YEAR AND THE AMOUNT OF PROPERTY TAXES THAT THE CLAIMANT WOULD HAVE PAID IF THE TAXABLE VALUE OF THE PROPERTY THAT THE CLAIMANT PURCHASED HAD NOT INCREASED DUE TO THE PURCHASE AND HAD INCREASED BY INFLATION OR 5%, WHICHEVER IS LESS. AS USED IN THIS SUBSECTION:

(A) "FAMILY MEMBER" MEANS THE SPOUSE, PARENT, STEPPARENT, CHILD, STEPCHILD, ADOPTED CHILD, GRANDPARENT, STEPGRANDPARENT, ADOPTED GRANDPARENT, SISTER, STEPSISTER, ADOPTED SISTER, BROTHER, STEPBROTHER, OR ADOPTED BROTHER OF THE CLAIMANT.

(B) "HOMESTEAD PROPERTY" MEANS THAT TERM AS DEFINED IN SECTION 7A OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.7A.

(C) "TAXABLE VALUE" MEANS TAXABLE VALUE AS CALCULATED UNDER SECTION 27A OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.27A."

The question being on the adoption of the amendments,

Senator Dingell requested the yeas and nays.

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

The amendments were not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 40

Yeas—19

Bennett

Goschka

Leland

Schwarz

Byrum

Hart

Miller

Van Regenmorter

Cherry

Hoffman

North

Vaughn

DeBeaussaert

Jaye

Peters

Young

Dingell

Koivisto

Rogers

Nays—15

Bullard

Emmons

McCotter

Sikkema

DeGrow

Gast

McManus

Steil

Dunaskiss

Gougeon

Schuetz

Stille

Emerson

Johnson

Shugars

they try to buy a home from their parent or grandparent. Since property taxes were capped in 1995, home prices have gone up 40, 50, even 80 percent or higher across the state of Michigan, not just in suburban areas, but even in urban areas. In urban and rural areas, the value of homes has gone up so high that children can't afford to buy their parents' home, or they can't afford to buy their grandparents' home.

So what this amendment does is it provides an income tax credit, so that the outcome would be that if a family member sells their home to another family member, they would continue paying the property taxes. It would increase at 5 percent or the inflationary rate or whatever is less.

This amendment would only cost \$5.4 million. Let me say this again. For you to allow a grandparent to give the gift of love to their granddaughter, it will only cost \$5.4 million. That's less than 5 percent of the state's budget surplus.

All of us have probably our fondest memories at home—birthdays, holidays, anniversaries, and graduation parties. Because of the booming economy and escalating home values, very few children or grandchildren now can afford to buy the home that they grew up in and have their most cherished memories. Very few children can afford to be able to have the continuity in their neighborhood and to keep their roots. To have that extended family means something more than just some photographs in their family album.

I would ask you please to consider the fact that this costs only \$5.4 million. I appreciate the fact we're voting on tax cuts. However, this package deal amounts to only \$19.20 a year to a family with a household income of \$25,000 or \$44.20 for a family of two with a \$50,000 household income. Could you please take a look at this amendment and allow parents or grandparents to be able to sell their home to their child and allow their property tax cap to continue without the pop up?

I request very sincerely your consideration of this amendment because if we don't pass it now, with each succeeding year, those property taxes grow higher and higher and higher. In fact, last night when I went home, I got my assessment notice from my township, and the value increased on my own home by 12 percent. I bet that's at the low range. Throughout Michigan and every township, city, and village, people are receiving their notices of their valuation increase from their township or city assessors, and it's sticker shock. Let's not prevent an individual who a family member from being able to afford to buy the home they grew up in and have their most memories in.

I ask that you vote for this amendment.

Senators Young, Peters, DeBeaussiaert, Leland, Koivisto, McManus, A. Smith, Vaughn, Miller, Jaye, Hoffman, Gast, Byrum, Hart, Van Regenmorter, Schwarz and Dunaskiss moved that they be named co-sponsors of the following bill:

Senate Bill No. 1039

The motion prevailed.

Senator Gougeon stated that had he been present when the vote was taken on the passage of the following bill, he would have voted "yea":

Senate Bill No. 1039

The following bill was read a third time:

Senate Bill No. 1040, entitled

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending section 35a (MCL 208.35a), as added by 1999 PA 115.

The question being on the passage of the bill,

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

Roll Call No. 42

Yeas—36

Bennett	Emmons	Koivisto	Schwarz
Bullard	Gast	Leland	Shugars
Byrum	Goschka	McCotter	Sikkema
Cherry	Gougeon	McManus	Smith, A.
DeBeaussiaert	Hammerstrom	Miller	Steil
DeGrow	Hart	North	Stille
Dingell	Hoffman	Peters	Van Regenmorter
Dunaskiss	Jaye	Rogers	Vaughn
Emerson	Johnson	Schuette	Young

Nays—0

Excused—2

Murphy

Smith, V.

Not Voting—0

In The Chair: Schwarz

The Senate agreed to the title of the bill.

Senators Leland, Young, McCotter, North, Peters, A. Smith, Byrum, Miller, Koivisto, Vaughn, Johnson, Bennett, Gougeon, Stille, Goschka, Dunaskiss, Sikkema, Gast, Jaye, McManus, Schuette and Schwarz moved that they be named co-sponsors of the following bill:

Senate Bill No. 1040

The motion prevailed.

The following bill was read a third time:

Senate Bill No. 1035, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 51c (MCL 206.51c), as added by 1999 PA 3; and to repeal acts and parts of acts.

The question being on the passage of the bill,

Senator Jaye offered the following amendments:

1. Amend page 1, following "THE PEOPLE OF THE STATE OF MICHIGAN ENACT:" by 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, 2000, 4.4%.

(c) For tax years that begin on and after January 1, 2000, ~~and before January 1, 2002 and on and after January 1, 2003,~~ the rate under section ~~51b, 51c, 51d, or 51e,~~ as applicable.

~~(d) For tax years that begin on and after January 1, 2002 and before January 1, 2003, 4.1%.~~

(2) The following percentages of the net revenues collected under this section and ~~sections 51b, SECTION 51c, 51d,~~ ~~and 51e~~ 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, 2000, 23.0% of the gross collections before refunds from the tax levied under this section.

(c) Beginning January 1, 2000, that percentage of the gross collections before refunds from the tax levied under this section that is equal to 1.012% divided by the income tax rate levied under this section or section ~~51b, 51c, 51d, or 51e,~~ as applicable.

(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 and ~~sections 51b, SECTION 51c, 51d, and 51e:~~

(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."

2. Amend page 1, line 1, after "2000" by striking out the balance of the line through "2002" on line 2.

3. Amend page 1, line 5, after "the" by striking out the balance of the section and inserting "FOLLOWING RATES IN THE FOLLOWING CIRCUMSTANCES:

(A) FOR TAX YEARS THAT BEGIN ON AND AFTER JANUARY 1, 2000 AND BEFORE JANUARY 1, 2001, 4.2%.

(B) FOR TAX YEARS THAT BEGIN ON AND AFTER JANUARY 1, 2001 AND BEFORE JANUARY 1, 2002, 4.1%.

(C) FOR TAX YEARS THAT BEGIN ON AND AFTER JANUARY 1, 2002 AND BEFORE JANUARY 1, 2003, 4.0%.

(D) FOR TAX YEARS THAT BEGIN ON AND AFTER JANUARY 1, 2003, 3.9%."

4. Amend page 1, following line 8, by inserting:

"Enacting section 2. Sections 51b, 51d, and 51e of the income tax act of 1967, 1967 PA 281, MCL 206.51b, 206.51d, and 206.51e, are repealed."

The amendments were not adopted, a majority of the members serving not voting therefor.

Senator Leland offered the following amendment:

1. Amend page 1, following line 8, by inserting:

"Enacting section 2. This amendatory act does not take effect unless Senate Bill No. 1044 of the 90th Legislature is enacted into law."

The question being on the adoption of the amendment,

Senator Leland requested the yeas and nays.

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

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

Roll Call No. 43

Yeas—13

Byrum	Emerson	Leland	Smith, A.
Cherry	Hart	Miller	Vaughn
DeBeaussaert	Koivisto	Peters	Young
Dingell			

Nays—23

Bennett	Goschka	McCotter	Shugars
Bullard	Gougeon	McManus	Sikkema
DeGrow	Hammerstrom	North	Steil
Dunaskiss	Hoffman	Rogers	Stille
Emmons	Jaye	Schuette	Van Regenmorter
Gast	Johnson	Schwarz	

Senator McCotter's statement, in which Senators Emmons, Johnson, Shugars, Gougeon, Hammerstrom, North and Goschka concurred, is as follows:

I'd just like to say, on the purpose of this amendment and the others that we've seen, whatever worthy goals that are trying to be accomplished by the use of the term "investment," let's make no mistake the term "investment" means spending. The vote in front of us today is quite simply to me a case of us telling the people of Michigan that we've taken too much of their money, and in doing so, we're going to give it back to them—where it rightfully belongs. For us to try to tie-bar any of these bills would be in effect saying to our friends, neighbors, and families here in the state of Michigan that we've taken too much of their money, and to solve that problem, we're now going to spend it. That is not an argument I wish to take back to my district.

Senator Emerson offered the following amendment:

1. Amend page 1, following line 8, by inserting:

"Enacting section 2. This amendatory act does not take effect unless Senate Bill No. 964 of the 90th Legislature is enacted into law."

The question being on the adoption of the amendment,

Senator Emerson requested the yeas and nays.

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

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

Roll Call No. 45

Yeas—13

Byrum	Emerson	Leland	Smith, A.
Cherry	Hart	Miller	Vaughn
DeBeaussaert	Koivisto	Peters	Young
Dingell			

Nays—23

Bennett	Goschka	McCotter	Shugars
Bullard	Gougeon	McManus	Sikkema
DeGrow	Hammerstrom	North	Steil
Dunaskiss	Hoffman	Rogers	Stille
Emmons	Jaye	Schuette	Van Regenmorter
Gast	Johnson	Schwarz	

Excused—2

Murphy	Smith, V.
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Not Voting—0

In The Chair: Schwarz

Senator A. Smith offered the following substitute:
Substitute (S-2).

The question being on the adoption of the substitute,
Senator A. Smith requested the yeas and nays.

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

The substitute was not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 46**Yeas—7**Cherry
DingellEmerson
HartLeland
Smith, A.

Vaughn

Nays—29Bennett
Bullard
Byrum
DeBeaussaert
DeGrow
Dunaskiss
Emmons
GastGoschka
Gougeon
Hammerstrom
Hoffman
Jaye
Johnson
KoivistoMcCotter
McManus
Miller
North
Peters
Rogers
SchuetteSchwarz
Shugars
Sikkema
Steil
Stille
Van Regenmorter
Young**Excused—2**

Murphy

Smith, V.

Not Voting—0

In The Chair: Schwarz

Protests

Senators Rogers, Shugars, Gougeon, North, Johnson, Emmons, McManus, Hammerstrom and Bennett, under their constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the substitute offered by Senator A. Smith to Senate Bill No. 1035.

Senators Rogers and Emmons moved that the statements they made during the discussion of the substitute be printed as their reasons for voting “no.”

The motion prevailed.

Senator Rogers’ statement, in which Senators Shugars, Gougeon, North and Johnson concurred, is as follows:

It wasn’t quite clear from the Senator from the 18th District’s explanation, but in reading the amendment, what this, in fact, would do is cease the tax cut that we previously voted on, if I understand correctly, and not initiate it until 2006. What this does is say no more income tax relief for the citizens of Michigan until 2006.

What I’ve heard talked about over the course of the day by my colleagues on the other side of the aisle is investment. They’re continually talking about investment—in departments, bureaucracies, and institutions—because, as the Senator from the 18th District said, they can spend that money better than the families of Michigan. I don’t know about you, but I am offended by that.

You can look at the investments that we’ve made in Michigan in higher education this year, in K through 12 funding, and in opportunities for every family to establish education savings accounts so that the average and low-income family can start to save and develop their own way, government-free, to educate their children.

Senator Joel Gougeon is fighting the great fight to increase Medicaid funding and take care of health care needs here in the state of Michigan, and you talk about that \$128 not meaning much. If an average family would save \$128 in the education savings account over 18 years, that’s \$12,000 that they can apply towards education. Now you may think, Senator, that that’s okay to entrust that in some bureaucracy, in some government agency, and some institution. I do not.

We have invested in this great state. We have invested in all of those things: higher education, K through 12, the environment with aggressive brownfield redevelopment, and now we are going to invest in the greatest asset that this state has—that’s working families.

You know, at the end of the month nobody from the government, bureaucracy, or an institution comes to my house and helps me get diapers for my son or food for my table. The fact that my wife and I have to scramble around to get our kids in daycare, and who picks them up at night and who doesn’t, no government agency does that, Senator.

What we’re doing is saying, “You know what? We are going to invest in you, the average Michigan citizen because we believe in you. Not government. Not institutions. Not departments.” This is extremely important, and this to me sets the clearest difference of all between the two parties.

If we are going to stand up for people with everyday problems and struggling to make a difference, then our plan is the right plan. We invested more in this tax package in seniors and the disabled. This is a wise investment of our money. It invests in the people who we believe in most: working families, children, seniors, and the disabled. On top of all of that, we're going to invest more in all the things we discussed earlier. I would urge the strong rejection of this amendment, and let's move forward with progress and believing in the folks who have made this economy what it is—the average citizen in the state of Michigan.

Senator Emmons' first statement, in which Senators McManus, Hammerstrom, Bennett and Johnson concurred, is as follows:

Well, if my tax cuts are little, the Democrats are going to give you zip—zip! No cent, no penny, no nothing! I think the taxpayers deserve some of their money left in their pocket. Let's turn that down.

Senator Emmons' second statement is as follows:

The things the sponsor of this amendment is talking about isn't in this bill. If we want to talk about the kind of things she's talking about, we've got to talk about it in a different bill. This does not set up any money to go anywhere. This just takes it away from the taxpayers.

The question being on the passage of the bill,

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

Roll Call No. 47

Yeas—35

Bennett	Emmons	Koivisto	Schwarz
Bullard	Gast	Leland	Shugars
Byrum	Goschka	McCotter	Sikkema
Cherry	Gougeon	McManus	Steil
DeBeaussaert	Hammerstrom	Miller	Stille
DeGrow	Hart	North	Van Regenmorter
Dingell	Hoffman	Peters	Vaughn
Dunaskiss	Jaye	Rogers	Young
Emerson	Johnson	Schuette	

Nays—1

Smith, A.

Excused—2

Murphy

Smith, V.

Not Voting—0

In The Chair: Schwarz

The Senate agreed to the title of the bill.

Protest

Senator A. Smith, under her constitutional right of protest (Art. 4, Sec. 18), protested against the passage of Senate Bill No. 1035.

Senator A. Smith's statement is as follows:

I voted "no" on the previous bill, Senate Bill No. 1035, because I firmly believe that by accelerating the tax cut, we are depriving the Legislature of an opportunity to make some very smart decisions on how we fund programs that are

going begging in the state of Michigan. I think it is important for us to give dollars back to citizens when it is appropriate but when we have investments that have to be made in a quality of life here in the state of Michigan, so that our seniors are well cared for, so that the people who care for them are paid well, and so that our students have appropriate programs, I think we made a mistake.

Senators DeBeaussaert, Cherry, Jaye, Dingell and A. Smith asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator DeBeaussaert's statement is as follows:

The amendment before you is a simple and straightforward amendment. It is a tie-bar amendment, similar to the previous one, dealing with the issue of education. While it is simple and straightforward, it is very important for every school district in the state and every school child in the state—important as it relates to the constitutional and moral obligations of all legislators—to fund programs for those services in this state.

The amendment would tie-bar the bill before us to Senate Bill No. 1054, which was introduced and referred to the Appropriations Committee. That bill would fully fund the reimbursement to local schools for special education services by adding \$420 million to the school aid bill. There have been distributed on the members' desks printouts of how the additional dollars would flow through districts across the state. Members have probably also been contacted by members of a coalition of groups that have been involved in litigation on this issue in the past, identifying how this \$420 million is critical and how it would, in fact, benefit districts in their states.

This isn't a new issue. While the bill that was introduced is a new bill, this issue has been debated hotly for decades in this Legislature and in the courts. School districts have argued time and again that the state, through the legislative process, had failed to live up to its constitutional obligations. Time and again the courts have agreed. I believe it is time to end the battle and fairly fund the services. Recognizing that when you fail to do so in this Legislature, we harm not just a lawyer or not just a school board and not just the children who are in need of special education services, but we harm every school child in this state. When the costs exceed the reimbursement debts derived, schools are forced to short-change other programs—short-change all students—and thereby sending those dollars to meet the special education needs. That means it's less likely that school districts will be able to accomplish the important things that we have talked about in this legislative process, things like lowering class sizes, raising standards, and investing in technology. When they are forced into a position where they are having to rob Peter to pay Paul, that's an unfair situation to force them into, and that's why I offer this amendment to this tax bill, not to delay or to kill that bill but because I think it's important for us to connect the issues as was suggested by the Minority Leader earlier.

There are times when it's difficult for us to meet all of our obligations. I remember a time when President Bush, in his inaugural speech, talked of that period when there was more will than wallet. Fortunately, things are different today. We have shattered the record for economic growth for the longest economic recovery in the history of our country. We have surpluses not only at the national level, but in our School Aid Fund, the rainy day fund, and the General Fund.

I think we are tested as a Legislature not only in terms of how we react in times of economic crisis, but also how we respond in times of great opportunity in what priorities we set for today and for the future. Tax cuts as part of an overall strategy are appropriate, but it's also important for us to take the opportunity to make sure that we are paying our bills and to make sure that we are making the proper investments in education, so that schools don't have to short-change all of the children to meet the needs of the mandated programs for a few.

So I think it is time that we live up to our obligations and to end the battle and let school districts focus on educating and not litigating. This amendment would fully fund the program and will allow schools to do all the things that we want them to do for all children in this state, and to service the special needs of the children in need of special education services. I'd ask for your support.

Senator Cherry's first statement is as follows:

I rise in support of the DeBeaussaert amendment. Again, in differing from the Senator from the 32nd District, I don't view this as the Dennis Pollard Income Maintenance Act, but rather as the Dennis Pollard Unemployment Act because it brings the lawsuit to an end and puts him out of business.

Earlier in the year when Senate Democrats were asked about their opinion regarding an acceleration of the income tax, we said that the first thing we need to do is pay our bills. That's something every household in the state does and every business in the state does. It pays its bills. And by putting in and adopting the DeBeaussaert amendment, we would be clearly saying that we intend to accelerate the income tax reduction, but we also intend to pay our bills. That's the responsible thing to balance our budget—give back the revenue that is in excess. But you don't have excess revenue if you haven't paid your bills.

On that question, my attention was drawn to an editorial on February 26 in the *Traverse City Record Eagle*. I'd like to read just a portion of that editorial.

It reads: "When the state has more money than it knows what to do with, it makes little sense that local school districts have to beg and badger to get the money they need for special education. Even if the state were not looking for ways to spend money, even if the Legislature had to make some tough choices on spending, it would be wrong to short-change the students who both need and deserve the programs that the special education money buys. It would be wrong for reasons both monetary and moral. By logic, by court decision, and by the logic that sometimes, but not always, guides government decisions, Michigan has determined that the government should make sure that there is enough money to buy for the programs it requires. That's more than fair. It's necessary."

We have a bill. It's time for us to pay it. And there's no better time to pay it than when we are considering returning excess revenues to the taxpayers of the state.

Senator Jaye's statement is as follows:

The bill in front of us accelerates by one year the income tax roll-back to 3.9 percent. There'll be no roll-back next year, and then it's going to ratchet down for the next couple of years after that until we reach 3.9 percent.

What my amendment does is it accelerates the decline on each of the next years. I asked the Senate Fiscal Agency to study the impact of having this acceleration instead of having people wait five years—they would get the full tax cut in four years—and the impact is \$140 million this year.

I know this is more money than the \$5 million on the first two amendments, but it is still affordable. What this is is approximately 12 percent of our budget surplus, not counting the rainy day fund. And I sincerely hope that folks will live forever, but they won't. Some people will die in three or four years waiting for the income tax cut.

So what this says is during a good economic time and strong economy, we're going to allow people to be able to keep more of their own money. To put into perspective how high the federal, state, and local tax burden is, plus the cost of regulations, people have to work from January 1 to June 28 to pay all their federal, state, and local taxes and regulations. Put another way, you've got to work Monday, Tuesday, and until lunch on Wednesday until you start taking home some of your own money that you earned that week.

What this amendment does is it ratchets down the tax on the people who are earning it. Twelve percent is something that we face as families and business people, men and women, face everyday. We can earmark 12 percent of our budget surplus by accelerating the tax cut for each of the next years, not just this year. I request your support of the amendment.

Senator Cherry's second statement is as follows:

I rise to support the Senator Alma Smith substitute, and along with the Senator from the 7th District, with some humor, listening to the rhetoric about the concern for the average Michigan taxpayer. It was amazing how that concern, that deep heartfelt concern, the overriding need to provide tax relief to the average Michigan citizen was exhibited when we had an opportunity a few minutes ago to provide an exemption on the sale of a house, a residential house to a family member. That was something we were going to accord for farms, but when we wanted to provide it to the average Michigan citizen, this body turned their thumbs down. What is the average Michigan citizen, the normal every day Michigan citizen? What kind of tax relief are they going to get with this acceleration of the rate reduction? A family of four at the median income level with two kids under the age of 19 is going to receive \$26.50 a week. Post that versus a free college education for each of those 19-year-old children. The Senator from the 7th District was exactly right. If you're concerned about the average Michigan family and their efforts to improve their lot in life to provide a future for their children—if that is truly your concern—then you'll make sure they'll have that free public education at the university level because in today's world, what you're going to need to be a productive employee with a future is a post-secondary education. This amendment moves us in that direction and has a significant impact for average Michigan families.

Senator Cherry's third statement, in which Senator A. Smith concurred, is as follows:

It's my intention to vote "yes" on Senate Bill No. 1035. However, in doing so, I do it with some concern because it's my belief that we have several obligations here. One is to pay our bills. The other is to make some important investments in the education of our young children, investments in the health care of our citizenry, and that those are our first and foremost responsibilities. Then, after we've met those obligations, return excess revenue to the citizens of the state.

What we're engaged with in this bill is returning the excess revenue, but we're doing it in a way that is putting the cart before the horse. While we have outstanding bills that we owe to school districts in the form of a lawsuit that has gone against us and while we have bills that are owed to hospitals of the state, we have need to improve the educational opportunity of our children, which is our basic constitutional responsibility. I personally believe that it's possible to meet all of those obligations and return some tax revenue to the citizens of the state. But we ought to do it in a responsible way. We ought to do it in conjunction.

What I am suspecting, and it is my hope, Mr. President, is when we get to the budget that we meet those financial obligations, that we pay our bills, and that we make the investments in the future of our children and the health of our

citizenry that are required. I would hope that would be the product of our appropriations process. What I'm fearing is that what we'll hear is that the revenue picture is uncertain. It's not clear that we have the money and that we ought to sweep those concerns under the rug. That's why I pause as I contemplate a "yes" vote on this bill because I think that now is the time to do what we ought to be doing, which is meeting our obligations and returning excess revenue. We ought not be doing it piecemeal in a manner that allows us to ultimately avoid our responsibility, and I'm fearful that's what is looming on the horizon.

Senator Dingell's statement is as follows:

Mr. President, I'm hearing an awful lot of grandstanding from the other side of the chamber about this tax relief. The funniest thing I find about it is that much of the tax relief that is being given is tax relief that was taken away from people like senior citizens and disabled persons about the time I first got to the Michigan Legislature. Who was the ringleader? John Engler. John Engler was the ringleader. Lana Pollack, John Cherry, and I were the chief opponents of doing it—taking away the second tax exemption from senior citizens and disabled persons. We are hearing a lot of grandstanding about how this is such a large tax cut. Well, this is just an additional tax cut of the size that happened last year.

Now you will forgive me, I left my glasses at my desk, so I need a magnifying glass to read the prepared comments I have here. Now the first rate cut that was enacted last year, I handed out magnifying glasses, rather like this one, so that my colleagues there on the other side of the chamber could find their constituents' tax relief. How much of a tax cut was it last year? Fifty cents a week. Now my constituents don't think that's very significant. Maybe yours do but maybe yours are in a different tax bracket than the average resident of the 7th Senatorial District. I also handed out rolls of Life Savers candy, and I told my Republican colleagues to suck slow because their tax relief had to last a week. You know, does the Governor's tax cut rise to some threshold of significance for the average resident of Michigan? The answer is a big hairy "no". Now would essentially free college tuition rise above my constituents threshold of significance? The answer is a very big "yes." So if your constituents are like mine, and they probably are, if you want to vote the way your constituents would appreciate, you would support the Alma Wheeler Smith substitute.

Senator A. Smith's first statement is as follows:

In the past few amendments, my colleagues on this side of the aisle have attempted to offer amendments that would point out the very need for the Legislature to make sound investments with our dollars in those issues in education and health care that are critical today. The accelerated tax cut will cost the revenue stream of the state of Michigan approximately \$180 million over this year and the coming year. When we have issues of whether or not we can afford to do wage pass-throughs for nursing home workers, whether we can afford to put additional inspectors on for nursing homes so we have quality of care in those facilities, and continuity of care provided by people who are paid an adequate salary so we don't lose them to McDonald's, I think those questions and those issues are extraordinarily important. I'm pretty tired of hearing in committee meetings how it would be nice if we could meet the needs of programs where seniors volunteer to help seniors; if only we had the revenue to do that. This is \$180 million of revenue that would help us afford to meet the needs of programs for diabetes control training, education screening, colon/rectal cancer screenings, for other issues that are brought up continuously over the course of the education and the community health care budget. They have failed in those efforts to bring forward that need to tie-bar whatever we may do to a commitment to invest in those strategies that improve the quality of life for our citizens here in the state of Michigan.

My amendment takes a very different tack. My amendment proposes a five-year delay in the tax cut that is before us that we have already passed. That five-year delay would be used as an investment in a trust fund for higher education. It would give the citizens of the state of Michigan an opportunity to say that the \$128 cut that an average family of four earning \$41,000 will receive is a blessing of this tax cut that we are so wildly touting; that that \$128 will be invested for them at their choice over a period of five years. And that investment will then be used to do a tuition tax credit program to offset tuition paid for higher education. We have heard repeatedly that with the accelerated cost at universities we have priced families in the state of Michigan out of the higher education arena. Without some mechanism to make it possible for citizens in the state of Michigan to afford public higher education, we will continue to price the middle income categories out of this opportunity that is so desperately needed if they are to remain competitive in the workforce not only in the state of Michigan, but across the nation, and if they are to be able to maintain the quality of life standard for their families. One hundred twenty-eight dollars per an average household is not a lot of money. But when they combine that resource with every other household in the state of Michigan, it equates to a significant fund that does a tuition tax credit reimbursement for the cost of higher education for families in Michigan. I urge your support for the amendment, and I am asking for the yeas and nays.

Senator A. Smith's second statement is as follows:

Let's see, what is zip? Well, you know \$128 a year after a five-year accumulation of a tax cut is not exactly zip, but it's \$128. Forty-five hundred dollars, which is the average university tuition a year, is what people would get for delaying their income tax cut for five years and accumulating a trust fund that would give a tuition tax credit. That \$4,500 tuition per student is not zip! That is a quality opportunity for education in the future. That's not big

government. That's smart government. That's an opportunity for people to not only have their cake, but to eat it. It gives them a chance to take that tax cut that they've been given and actually invest the equity of that tax cut for five years and turn it into tuition-free education for their students in the state of Michigan. Vote "no," tell your constituents it was zip, and then defend that vote at home.

Senator A. Smith's third statement is as follows:

There is a tie-bar on this bill. It is tie-bared to an introduction identification number. That bill is in draft form and that bill will be introduced. It does not do nothing. It does something extraordinarily concrete, and it does it with a tie-bar.

Senators Shugars, Sikkema, Bennett, Van Regenmorter, Schuette, Steil, Gast, Jaye, Hoffman, McCotter, North, Miller and Schwarz moved that they be named co-sponsors of the following bill:

Senate Bill No. 1035

The motion prevailed.

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

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

The motion prevailed, and the President pro tempore, Senator Schwarz, designated Senator Bennett as Chairperson.

After some time spent therein, the Committee arose; and, the President pro tempore, Senator Schwarz, having resumed the Chair, the Committee reported back to the Senate, favorably and with a substitute therefor, the following bill:

Senate Bill No. 956, entitled

A bill to amend 1877 PA 164, entitled "An act to authorize cities, incorporated villages, and townships to establish and maintain, or contract for the use of, free public libraries and reading rooms; and to prescribe penalties and provide remedies," by amending section 2 (MCL 397.202).

Substitute (S-2).

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

1. Amend page 2, line 4, after "GREATER" by striking out "OR LESSER".

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

Resolutions

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

Senate Resolution No. 135

Senate Resolution No. 136

The resolution consent calendar was adopted.

Senator Schwarz offered the following resolution:

Senate Resolution No. 135.

A resolution in memory and great respect for the accomplishments of Theodore Wells Swift.

Whereas, The members of the Michigan Senate offer this resolution in recognition of the lifetime achievements of Theodore Wells Swift; and

Whereas, Theodore "Ted" Wells Swift was born June 8, 1928, to Leland and Frances Swift in Battle Creek, Michigan. In 1950, he completed his undergraduate degree from DePauw University, after serving as an officer in the U.S. Marine Corps during the Korean War, and in 1955, he earned his juris doctorate degree from the University of Michigan Law School; and

Whereas, Ted was admitted to practice law in Michigan and began what would be an illustrious 45-year career with the Lansing law firm of Foster, Foster & Campbell, which today bears his name as Foster, Swift, Collins, & Smith, P.C. His professional life, in his own terms, was "generalist" in practice: a municipal attorney, counsel for a major utility and Blue Cross of Michigan, as well as a labor specialist for the Michigan Education Association; and

Whereas, His intelligence, drive, wit, and personal demeanor set a solid foundation, enabling him to contribute greatly to numerous professional organizations. He was a member and fellow of the American Bar Association, the Michigan State Bar Foundation, member and past president of the Ingham County Bar Association, chair of the committee of Professional and Judicial Ethics - State Bar of Michigan, and was appointed by the Governor to serve as the chair of the Michigan State Board of Ethics. Additional memberships included the U.S. District Court for the Eastern and Western Districts of Michigan and the U.S. Sixth Circuit Court of Appeals; and

Whereas, Mr. Swift was repeatedly acknowledged by his peers for his outstanding efforts. Since 1987, he was annually cited as one of the *Best Lawyers in America*, Woodward/White, Inc., received the Ingham County Bar Association Outstanding Volunteer award in 1986, and the Leo A. Farhat Outstanding Attorney award in 1999. Theodore taught law as a visiting professor at Thomas M. Cooley Law School in 1986, which he enjoyed; and

Whereas, Ted Swift shall remain a legend for his contributions to the community: his warmth and sincerity as master of ceremonies at the annual Lansing Rotary Club holiday party for orthopedic and hearing impaired children, families, and staff of Woodcreek Schools; member of the Capital Area United Way's long-range planning committee; member of the Lansing Art Gallery Board of Directors; member of the Dean's Community Council of Arts and letters for Michigan State University; and member of the Lansing Rotary Club, serving as president in 1974 and 1975. He was affiliated with many social clubs in the Lansing area and often served as toastmaster at various "roasts" and functions; and

Whereas, His most recent volunteering effort came as an active member of the Republican Party, serving as the 8th District congressional coordinator for John McCain, a campaign Ted embraced with enthusiasm that was contagious to those who volunteered alongside him; and

Whereas, Ted gratefully acknowledged that the love and support of his family was a prodigious force in his life: his wife Anne, whom he married while still in law school in 1953; three children, Timothy, Thomas, and Sarah; four grandchildren, Clayton, Eliza Morgan, Leland, and Frances Swift; and

Whereas, He was gracious with accolades for partners and friends who assisted him in his life's journey; now, therefore, be it

Resolved by the Senate, That this accolade of tribute serve as a symbol to the family and friends of the high regard in which the memory of Theodore Wells Swift is held by the people of Michigan; and be it further

Resolved, That a copy of this resolution be transmitted to his wife, Anne Swift, and the law firm of Foster, Swift, Collins, & Smith, P.C.

Senator Rogers moved that rule 3.204 be suspended to name the entire membership of the Senate and the Lieutenant Governor as co-sponsors of the resolution.

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

Senators Dingell, Hart and Bennett offered the following resolution:

Senate Resolution No. 136.

A resolution in commemoration of the 152nd Anniversary of the Hungarian Revolution of 1848.

Whereas, In commemoration of the Hungarian Revolution of 1848, we are honored to be included as a part of the celebration. This period of bravery has served as a source of pride and heroism for 152 years to all people of Hungarian descent. It is traditionally celebrated annually on March 15. Even while the country was under communist leadership, the people continued to reflect on this special day, celebrating the ideals of this event and the people who made it happen; and

Whereas, Hungary had been under rule of the Hapsburg Dynasty since the late 17th Century. The rest of the world had moved beyond a feudal system by the examples of Britain, America, and France. The nobility of Hungary knew it to be in their best interest to follow in this pattern. On March 15, 1848, Hungary became the first country to have their demands met by the Royal Court and have a peaceful transition; and

Whereas, The peaceful transition would be short-lived. After the Hapsburg armies finished business in other European countries, they arranged to send armies to regain imperial authority in Hungary. Artur Gorgey and Jozef Bem recaptured Hungary with military forces in April 1849, and they declared the House of Hapsburg dethroned. In the bitter fighting that occurred afterwards, thirteen military commanders were executed at Arad on October 6 and are to this day honored as the Martyrs of Arad. The Prime Minister, Count Lajos Batthyany, was shot by a firing squad in Pest, thereby ending what would live in the memories and traditions of the people of Hungary to this day; and

Whereas, The bravery of these revolutionaries came to symbolize defense of liberty gained and recovery of liberty lost. The inspiration would lead Hungarians through the many hardships and victories that stood before them; now, therefore, be it

Resolved by the Senate, That we share in the commemoration of this important day for all Hungarians and all who honor the ideals of liberty; and be it further

Resolved, That a copy of this resolution be transmitted to the Holy Cross Church for the March 12, 2000, commemoration program in Detroit, Michigan as a reflection of our esteem and respect.

By unanimous consent the Senate proceeded to the order of
Statements

Senators Miller and Schwarz asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Miller's statement is as follows:

Mr. President, I rise here to make a statement about a tragic accident that has been occurring way too often in Michigan, but especially in my senatorial district.

Two weeks ago I rose here, Mr. President, to tell you how happy I was to attend a ceremony at Centerline High School for them receiving a Blue Ribbon Award. Today, I rise to tell you about a graduate of Centerline High School who tragically, and for no logical reason whatsoever, lost his life at a train crossing in the city of Centerline on 11 Mile Road.

Mr. President, I talked with the good sponsor of the transportation committee, Senator Bullard, who has bent over backwards so that the committee will give a hearing on Senate Bill No. 632, which I introduced and sponsored and have so many co-sponsors here in the body, that will bring some focus and attention to Michigan's 5,500 railroad crossings.

Mr. President, half of those crossings in Michigan, do not have not only a guard that comes down, but do not have even any flashing lights. I think it is very, very important, especially in densely populated, urban areas, that we have not only the flashing lights, but guard rails. I know that the railroad always looks for an excuse to say, "Well, people drive around them." Well, there are many, many law-abiding citizens who would not drive around them and would stop there, and it would protect lives.

In the last three years, I have had over five people lose their lives at railroad crossings in my senatorial district. I think it is time we do something to try and save lives here in Michigan. I know that we can't stop everybody from going around these particular train gates, but at least we can provide some protection and security for people who maybe are not familiar with the area or these railroad crossings that come through industrial sites and have no idea that a train is coming quickly through that is going to cause some serious damage.

I just would like to say that I wish I could be here on a happier note to tell you more about the great students of Centerline, but today they are having grief counseling to grieve about one of their recent graduates. But I hope that the good chairman and the transportation committee will schedule this bill soon, so that we can show the public, and especially the victims and their families of these railroad deaths, that this state is willing to listen and take action on a very, very serious, serious problem.

Senator Schwarz's statement is as follows:

One of the resolutions on the consent calendar this morning was an honorarium for attorney Ted Swift, who passed away last week. A lot of you know Ted. Many of you are friends of Ted. I know he'd be honored, and his wife Anne would be honored if as many of you as possible could co-sponsor the resolution which passed, but you can still sign here at the podium.

Ted was a great guy. He had as many Republican friends as he had Democrat friends. He certainly was a good friend of mine.

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

Senator McManus introduced
Senate Bill No. 1055, entitled

A bill to repeal 1897 PA 160, entitled "An act to establish a lien upon horses and other animals for the cost of shoeing the same," (MCL 570.351 to 570.363).

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

Senator McManus introduced
Senate Bill No. 1056, entitled

A bill to amend 1964 PA 158, entitled "An act to provide for the licensing of wholesale potato dealers; to prescribe certain powers and duties for certain state agencies; to require certain types of financial security for certain persons under certain circumstances, and to prescribe the procedure for its enforcement; to provide remedies and penalties for violations of the act; and to repeal certain acts and parts of acts," by repealing section 13 (MCL 290.463).

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

House Bill No. 4690, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 160 of chapter XVII (MCL 777.160), as added by 1998 PA 317.

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

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

House Bill No. 5291, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending section 167 (MCL 388.1767), as amended by 1997 PA 93.

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

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

House Bill No. 5292, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 9208 (MCL 333.9208).

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

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

House Bill No. 5293, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," by amending section 1177 (MCL 380.1177), as amended by 1996 PA 399.

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

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

Committee Reports

The Committee on Transportation and Tourism reported

Senate Bill No. 961, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 252a and 719 (MCL 257.252a and 257.719), section 252a as amended by 1981 PA 104 and section 719 as amended by 1996 PA 136.

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

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

Bill Bullard, Jr.
Chairperson

To Report Out:

Yeas: Senators Bullard, Steil, North, Leland and Hart

Nays: None

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

The Committee on Transportation and Tourism reported

Senate Bill No. 1011, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 907 (MCL 257.907), as amended by 1998 PA 103.

With the recommendation that the bill pass.

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

Bill Bullard, Jr.
Chairperson

To Report Out:

Yeas: Senators Bullard, North, Leland and Hart

Nays: Senator Steil

The bill was referred to the Committee of the Whole.

The Committee on Transportation and Tourism reported

Senate Bill No. 1012, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," (MCL 257.1 to 257.923) by amending the title and by adding section 230a.

With the recommendation that the bill pass.

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

Bill Bullard, Jr.
Chairperson

To Report Out:

Yeas: Senators Bullard, Steil, North, Leland and Hart

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Transportation and Tourism reported

House Bill No. 4769, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 801 (MCL 257.801), as amended by 1998 PA 384.

With the recommendation that the bill pass.

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

Bill Bullard, Jr.
Chairperson

To Report Out:

Yeas: Senators Bullard, Steil, North and Hart

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Transportation and Tourism reported

House Bill No. 4969, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 226 (MCL 257.226), as amended by 1992 PA 297, and by adding section 801i.

With the recommendation that the bill pass.

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

Bill Bullard, Jr.
Chairperson

To Report Out:

Yeas: Senators Bullard, Steil, North, Leland and Hart

Nays: None

The bill was referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Transportation and Tourism submits the following:

Meeting held on Tuesday, February 29, 2000, at 3:00 p.m., Room 110, Farnum Building

Present: Senators Bullard (C), Steil, North, Leland and Hart

The Committee on Judiciary reported

Senate Bill No. 893, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 4701 (MCL 600.4701), as amended by 1998 PA 547.

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

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

William Van Regenmorter
Chairperson

To Report Out:

Yeas: Senators Van Regenmorter, McCotter, Schuette and Dingell

Nays: None

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

COMMITTEE ATTENDANCE REPORT

The Committee on Judiciary submits the following:

Meeting held on Wednesday, March 1, 2000, at 1:00 p.m., Rooms 402 and 403, Capitol Building

Present: Senators Van Regenmorter (C), McCotter, Schuette and Dingell

Excused: Senators Bullard, Peters and V. Smith

COMMITTEE ATTENDANCE REPORT

The Committee on Health Policy submits the following:

Meeting held on Tuesday, February 29, 2000, at 3:00 p.m., Room 100, Farnum Building

Present: Senators Shugars (C), Hammerstrom, Schwarz, Byrum and Murphy

COMMITTEE ATTENDANCE REPORT

The Subcommittee on Community Colleges submits the following:

Meeting held on Wednesday, March 1, 2000, at 1:00 p.m., Senate Appropriations Room, Capitol Building

Present: Senators Gast (C), Goschka and Vaughn

Scheduled Meetings

Agriculture Appropriations Subcommittee - Wednesday, March 8, at 8:30 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building (3-1725).

Community Health Appropriations Subcommittee - Tuesday, March 7, at 2:00 p.m., Rooms 402 and 403, Capitol Building (3-1777).

Health Policy Committee - Tuesday, March 7, at 3:00 p.m., Room 404, Capitol Building (3-0793).

Higher Education Appropriations Subcommittee - Friday, March 3, at 10:00 a.m., Lawrence Technological University, 21000 W. Ten Mile Road, Southfield; Wednesday, March 8, at 1:30 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building; Friday, March 10, at 10:00 a.m., Ferris State University Grand Rapids Campus; and Tuesday, March 14, at 12:30 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building (3-3447).

Natural Resources and Environmental Affairs Committee - Monday, March 6, at 6:00 p.m., Saginaw Valley State University, Curtis Hall - Seminar D, 2250 Pierce Road, University Center; Monday, March 13, at 7:00 p.m., Macomb Community College, Center Campus, "K" Building, Room 137, 44575 Garfield Road, Clinton Township; Thursday, March 23, at 6:00 p.m., Northwestern Michigan College, Oleson Center - Rooms 1 and 2, 1701 E. Front Street, Traverse City; Thursday, April 6, at 6:00 p.m., Lake Superior State University, Cisler Student and Conference Center - Ontario-Michigan Room, 650 Easterday Avenue, Sault Ste. Marie; and Monday, April 10, at 6:00 p.m., Monroe City Hall, Council Chamber, 120 E. First Street, Monroe (3-0797).

School Aid Appropriations Subcommittee - Tuesday, March 7, at 3:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building (3-1635).

Transportation and Tourism Committee - Tuesday, March 7, at 3:00 p.m., Room 110, Farnum Building (3-1758).

Senator Rogers moved that the Senate adjourn.

The motion prevailed, the time being 11:47 a.m.

The President pro tempore, Senator Schwarz, declared the Senate adjourned until Tuesday, March 7, at 10:00 a.m.

CAROL MOREY VIVENTI
Secretary of the Senate.

