No. 42 JOURNAL OF THE SENATE

Senate Chamber, Lansing, Wednesday, May 12, 1999.

10:00 a.m.

The Senate was called to order by the Assistant President pro tempore, Senator Philip E. Hoffman.

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

Bennett—present	Hammerstrom—present	Rogers—present
<u>*</u>	1	0 1
Bullard—present	Hart—present	Schuette—present
Byrum—present	Hoffman—present	Schwarz—present
Cherry—present	Jaye—present	Shugars—present
DeBeaussaert—present	Johnson—present	Sikkema—present
DeGrow—present	Koivisto—excused	A. Smith—present
Dingell—present	Leland—present	V. Smith—present
Dunaskiss—present	McCotter—present	Steil—present
Emerson—present	McManus—present	Stille—present
Emmons—present	Miller—present	Van Regenmorter—excused
Gast—present	Murphy—present	Vaughn—present
Goschka—present	North—present	Young—present
Gougeon—present	Peters—present	

Reverend McKinley C. Harrell of United Peoples Community Church of Jackson offered the following invocation: The God of all grace has called us into His eternal glory by Christ Jesus. After that, we have suffered awhile and make perfect Your established strength. Shall unto You, God, be the glory.

God of heaven, the maker and creator of all mankind, the giver of every good and every perfect gift, we humbly come before You with thanksgiving. Thank You, Lord, for this meeting where decisions will be made, and let them be according to Your will. Bless each of these decisionmakers, individually and collectively. Bless our city, our state, our nation, but least of all, bless all of these who will make decisions. Lord, we ask that Thou would give them the strength and courage to do so as it will affect all mankind. We thank You, Lord, for life, health and strength. In Jesus' name we pray. Amen, amen.

Motions and Communications

The Secretary announced that the following House bills were received in the Senate and filed on Tuesday, May 11: **House Bill Nos.** 4187 4352 4354 4524

The Secretary announced the enrollment printing and presentation to the Governor on Tuesday, May 11, for his approval the following bill:

Enrolled Senate Bill No. 141 at 3:10 p.m.

The Secretary announced the printing and placement in the members' files on Tuesday, May 11 of: Senate Bill Nos. 589 590 591 592 593 594 595 596 597 598

Senator Rogers moved that Senators Goschka and McCotter be temporarily excused from today's session. The motion prevailed.

Senator Rogers moved that Senator Van Regenmorter be excused from today's session. The motion prevailed.

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

Senator Emerson moved that Senator Koivisto be excused from today's session. The motion prevailed.

Senator Cherry entered the Senate Chamber.

Messages from the Governor

The following messages from the Governor were received and read:

May 6, 1999

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

Domestic Violence Prevention and Treatment Board

The Honorable Edward Sosnick, 4585 Kirkcaldy, Bloomfield Hills, Michigan 48304, county of Oakland, as a member representing the general public, succeeding himself, for a term expiring on September 30, 2001.

Mr. James A. Fink, 206 S. Washington Street, Ypsilanti, Michigan 48197, county of Washtenaw, as a member and as Chair, representing the general public, succeeding Ms. Anne Armstrong of Grand Rapids, who has resigned, for a term expiring on September 30, 2000.

Ms. Michelle Hayes, P.O. Box 945, Gaylord, Michigan 49734, county of Otsego, as a member representing the general public, succeeding Dr. David G. Elwell of Grand Rapids, whose term has expired, for a term expiring on September 30, 2001.

Ms. Shirley Mann Gray, 5399 W. Bloomfield Lake Road, West Bloomfield, Michigan 48323, county of Oakland, as a member representing the general public, succeeding Ms. Ernestine Moore of Detroit, whose term has expired, for a term expiring on September 30, 2001.

May 6, 1999

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

Mr. James M. Storey, 344 W. 35th Street, Holland, Michigan 49423, county of Ottawa, as a member representing Republicans, succeeding the Honorable Phillip J. Arthurhultz of Lansing, who has resigned, for a term expiring on June 12, 2002.

May 11, 1999

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

Eastern Michigan University Board of Regents

Mr. Joseph E. Antonini, 62 Pine Gate Drive, Bloomfield Hills, Michigan 48304, county of Oakland, as a member representing the general public, succeeding himself, for a term expiring on December 31, 2006.

Ms. Donna Rose Milhouse, 18615 Oak Drive, Detroit, Michigan 48221, county of Wayne, as a member representing the general public, succeeding Dr. Gayle P. Thomas of Dearborn, whose term has expired, for a term expiring on December 31, 2006.

May 11, 1999

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

Michigan Board of Osteopathic Medicine and Surgery

Dr. Robert D. Aranosian, 9880 Allen Lane, Clarkston, Michigan 48348-1812, county of Oakland, as a member representing professionals, succeeding Dr. Lewin Wyatt, Jr., of Flint, whose term has expired, for a term expiring on December 31, 2002.

Dr. Susan M. Rose, 525 Victoria Square, Brighton, Michigan 48116, county of Livingston, as a member representing professionals, succeeding herself, for a term expiring on December 31, 2002.

Dr. Richard E. Griffin, 540 Tarleton, East Lansing, Michigan 48823, county of Ingham, as a member representing professionals, succeeding himself, for a term expiring on December 31, 2002.

May 11, 1999

There are herewith presented for consideration and confirmation by the Senate, the following appointments to office: **Michigan Board of Psychology**

Dr. Karen Colby Weiner, 1764 Alexander Drive, Bloomfield Hills, Michigan 48302, county of Oakland, as a member representing professionals, succeeding Dr. Martha Whipple of East Lansing, whose term has expired, for a term expiring on December 31, 2002.

Ms. Rani D. Bahadur, 5021 Champlain Circle, West Bloomfield, Michigan 48323, county of Oakland, as a member representing limited licensed psychologists, succeeding Dr. Christina M. Thompson of Jackson, whose term has expired, for a term expiring on December 31, 2002.

Mr. William T. Burton, Jr., 15387 Minock, Detroit, Michigan 48223, county of Wayne, as a member representing the general public, succeeding Ms. Kathleen P. Fochtman of East Grand Rapids, whose term has expired, for a term expiring on December 31, 2002.

May 11, 1999

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

State Child Abuse and Neglect Prevention Board

Ms. Pamela Posthumus, 7815 Alden Nash, Alto, Michigan 49302, county of Kent, as a member representing parents, succeeding herself, for a term expiring on December 19, 2001.

Ms. Bertha L. Poe, 1310 Strathcona Drive, Detroit, Michigan 48203, county of Wayne, as a member representing organized labor, succeeding herself, for a term expiring on December 19, 2001.

May 11, 1999

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

Underwater Salvage and Preserve Committee

Mr. John W. McConnell, 540 Dodge Drive, Alpena, Michigan 49707, county of Alpena, as a member representing the general public, succeeding himself, for a term expiring on August 17, 2001.

Mr. Michael J. Spears, 220 Devonshire, Dearborn, Michigan 48124, county of Wayne, as a member representing the general public, succeeding Mr. Louis F. Twardzik of East Lansing, whose term has expired, for a term expiring on August 17, 2001.

Ms. Valerie van Heest, 9436 Lakeview Court, West Olive, Michigan 49460, county of Ottawa, as a member representing the general public, succeeding Mrs. Colette M. Witherspoon of Fort Gratiot, whose term has expired, for a term expiring on August 17, 2001.

Mr. Thomas D. Stoltmann, 424 Spring Valley Road, P.O. Box 869, Beulah, Michigan 49617, county of Benzie, as a member representing the general public, succeeding Mr. Peter J. Lindquist of Munising, whose term has expired, for a term expiring on August 17, 2001.

Sincerely, John Engler Governor

The appointments were referred to the Committee on Government Operations.

Senator Jaye entered the Senate Chamber.

Messages from the House

Senate Bill No. 7, entitled

A bill to amend 1931 PA 328, entitled "The Michigan penal code," (MCL 750.1 to 750.568) by adding section 145d. (For text of amendment, see Senate Journal No. 32, p. 480.)

The question being on concurring in the amendment made to the bill by the House,

The amendment was concurred in, a majority of the members serving voting therefor, as follows:

Roll Call No. 177 Yeas—32

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

Nays—0

Excused—6

Goschka McCotter Murphy Van Regenmorter Koivisto Miller

Not Voting—0

In The Chair: Hoffman

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

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

The Senate agreed to the full title.

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

Senate Bill No. 117, entitled

A bill to amend 1978 PA 33, entitled "An act to prohibit the dissemination, exhibiting, or displaying of certain sexually explicit matter to minors; to prohibit certain misrepresentations facilitating the dissemination of sexually explicit matter to minors; to provide penalties; to provide for declaratory judgments and injunctive relief in certain instances; to impose certain duties upon prosecuting attorneys and the circuit court; to preempt local units of government from proscribing certain conduct; and to repeal certain acts and parts of acts," by amending sections 3, 5, 6, and 7 (MCL 722.673, 722.675, 722.676, and 722.677) and by adding section 1a.

(For text of amendments, see Senate Journal No. 32, p. 480.)

The question being on concurring in the amendments made to the bill by the House,

Senators Miller and McCotter entered the Senate Chamber.

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

Roll Call No. 178 Yeas—34

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

Nays—0

Excused—4

Goschka Koivisto Murphy Van Regenmorter

Not Voting—0

In The Chair: Hoffman

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

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

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

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

Senate Bill No. 381

The motion prevailed.

Senate Bill No. 420, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 20129a (MCL 324.20129a), as amended by 1997 PA 61.

The House of Representatives has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

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

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

The Senate agreed to the full title.

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

Senators Murphy and Goschka entered the Senate Chamber.

Senate Bill No. 335, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 710d and 710e (MCL 257.710d and 257.710e), section 710d as amended by 1990 PA 90 and section 710e as amended by 1991 PA 25.

The House of Representatives has amended the bill as follows:

- 1. Amend page 5, following line 23, subsection (11), after the second "TO" by striking out the balance of the subsection and inserting "ALL OF THE FOLLOWING NOT LATER THAN MAY 1, 2000:
 - (A) THE SENATE AND HOUSE OF REPRESENTATIVES APPROPRIATIONS COMMITTEES.
 - (B) THE SENATE AND HOUSE OF REPRESENTATIVES FISCAL AGENCIES.".
 - 2. Amend page 6, following line 2, by inserting:

"Enacting section 1. It is the intent of the legislature that the cost savings realized by insurance companies because of the changes made by this amendatory act shall be passed on to insurance policyholders.".

The House of Representatives has passed the bill as amended and pursuant to Joint Rule 20, inserted the full title.

Yeas—22

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Rogers moved that the rule be suspended.

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

The question being on concurring in the amendments made to the bill by the House,

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

Roll Call No. 179

Bullard	Gast	McManus	Smith, A.
Byrum	Gougeon	Murphy	Smith, V.
Cherry	Hammerstrom	North	Steil
Dunaskiss	Hart	Peters	Vaughn
Emerson	Hoffman	Sikkema	Young
Emmons	Leland		

Nays—14

Bennett	Goschka	Miller	Schwarz
DeBeaussaert	Jaye	Rogers	Shugars
DeGrow	Johnson	Schuette	Stille
Dingell	McCotter		

Excused—2

Koivisto Van Regenmorter

Not Voting—0

In The Chair: Hoffman

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

The recommendation was not concurred in, 2/3 of the members serving not voting therefor.

The Senate agreed to the full title.

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

Third Reading of Bills

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

House Bill No. 4345

House Bill No. 4019

Senate Bill No. 218

House Bill No. 4240

Senate Bill No. 183

Senate Bill No. 206

Senate Bill No. 211

Senate Bill No. 246

Senate Bill No. 562

House Bill No. 4191

Senate Bill No. 422

Senate Bill No. 466

Senate Bill No. 467

House Bill No. 4020

Senate Bill No. 525

The motion prevailed.

Senator Rogers moved that consideration of the following joint resolution and bills be postponed for today:

Senate Joint Resolution G

Senate Bill No. 287

Senate Bill No. 390

Senate Bill No. 300

Senate Bill No. 96

Senate Bill No. 544

Senate Bill No. 545

The motion prevailed.

The President pro tempore, Senator Schwarz, assumed the Chair.

The following bill was read a third time:

House Bill No. 4345, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 16g of chapter XVII (MCL 777.16g), as added by 1998 PA 317.

The question being on the passage of the bill,

Senator Rogers offered the following amendments:

- 1. Amend page 2, line 10, after "FOR" by inserting "CERTAIN".
- Amend page 2, line 10, after "CRIMES" by striking out the balance of the line through "OFFENSE" on line 12.
 Amend page 2, line 13, after "FOR" by inserting "CERTAIN".
 Amend page 2, line 14, after "CRIMES" by striking out the balance of the line and inserting "OR".

The amendments were 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. 180

Yeas—35

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

Nays—0

Excused—2

Koivisto Van Regenmorter

Not Voting—1

Bullard

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 revise, consolidate, and codify the laws relating to criminal procedure and to define the jurisdiction, powers, and duties of courts, judges, and other officers of the court under the provisions of this act; to provide laws relative to the rights of persons accused of criminal offenses and ordinance violations; to provide for the arrest of persons charged with or suspected of criminal offenses and ordinance violations; to provide for bail of persons arrested for or accused of criminal offenses and ordinance violations; to provide for the examination of persons accused of criminal offenses; to regulate the procedure relative to grand juries, indictments, informations, and proceedings before trial; to provide for trials of persons complained of or indicted for criminal offenses and ordinance violations and to provide for the procedure in those trials; to provide for judgments and sentences of persons convicted of criminal offenses and ordinance violations; to establish a sentencing commission and to prescribe its powers and duties; to provide for procedure relating to new trials and appeals in criminal and ordinance violation cases; to provide a uniform system of probation throughout this state and the appointment of probation officers; to prescribe the powers, duties, and compensation of probation officers; to provide penalties for the violation of the duties of probation officers; to provide for procedure governing proceedings to prevent crime and proceedings for the discovery of crime; to provide for fees of officers, witnesses, and others in criminal and ordinance violation cases; to set forth miscellaneous provisions as to criminal procedure in certain cases; to provide penalties for the violation of certain provisions of this act; and to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act,".

The Senate agreed to the full title.

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

The motion prevailed.

Senator Hart's statement is as follows:

I rise in support of House Bill No. 4345 because using the Internet to prey upon minors is a heinous crime that must be addressed.

I am, however, somewhat disappointed that partisan politics have been injected into this issue. This bill left the Senate as part of a bipartisan package which passed the Senate overwhelmingly. It now returns as a totally Republican package. This is an issue of such importance that it should be above the partisan gamesmanship that has occurred. I hope that in future legislation we can put aside partisan politics and put the best interests of the citizens of Michigan first.

The following bill was read a third time:

House Bill No. 4019, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 7216 (MCL 333.7216).

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. 181 Yeas—36

BennettEmmonsLelandSchwarzBullardGastMcCotterShugarsByrumGoschkaMcManusSikkema

Cherry Gougeon Miller Smith, A. Hammerstrom DeBeaussaert Murphy Smith, V. DeGrow North Steil Hart Dingell Hoffman Peters Stille Dunaskiss Jave Rogers Vaughn Johnson Young Emerson Schuette

Nays—0

Excused—2

Koivisto Van Regenmorter

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. 218, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 7410 (MCL 333.7410), as amended by 1994 PA 174.

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. 182 Yeas—36

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

Nays—0

Excused—2

Koivisto Van Regenmorter

Not Voting—0

In The Chair: Schwarz

The Senate agreed to the title of the bill.

Senators Gougeon, McManus, Dunaskiss, Steil, Johnson, Goschka, Rogers, McCotter, Byrum, Peters, Hammerstrom, Shugars, Jaye, Stille, DeBeaussaert, Vaughn, Miller, Murphy, Hart and Schwarz moved that they be named co-sponsors of the following bill:

Senate Bill No. 218

The motion prevailed.

The following bill was read a third time:

House Bill No. 4240, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," (MCL 380.1 to 380.1852) by adding sections 1308 and 1310.

The question being on the passage of the bill,

Senator Byrum offered the following amendment:

- 1. Amend page 1, following "THE PEOPLE OF THE STATE OF MICHIGAN ENACT:" by inserting:
- "Sec. 502. (1) A public school academy shall be organized and administered under the direction of a board of directors in accordance with this part and with bylaws adopted by the board of directors. A public school academy corporation shall be organized under the nonprofit corporation act, Act No. 162 of the Public Acts of 1982, being sections 450.2101 to 450.3192 of the Michigan Compiled Laws 1982 PA 162, MCL 450.2101 TO 450.3192, except that a public school academy corporation is not required to comply with sections 170 to 177 of Act No. 327 of the Public Acts of 1931, being sections 450.170 to 450.177 of the Michigan Compiled Laws 1931 PA 327, MCL 450.170 TO 450.177. To the extent disqualified under the state or federal constitution, a public school academy shall not be organized by a church or other religious organization and shall not have any organizational or contractual affiliation with or constitute a church or other religious organization.
- (2) Any of the following may act as an authorizing body to issue a contract to organize and operate 1 or more public school academies under this part:
- (a) The board of a school district that operates grades K to 12. However, the board of a school district shall not issue a contract for a public school academy to operate outside the school district's boundaries, and a public school academy authorized by the board of a school district shall not operate outside that school district's boundaries.
- (b) An intermediate school board. However, the board of an intermediate school district shall not issue a contract for a public school academy to operate outside the intermediate school district's boundaries, and a public school academy authorized by the board of an intermediate school district shall not operate outside that intermediate school district's boundaries.
- (c) The board of a community college. However, except as otherwise provided in this subdivision, the board of a community college shall not issue a contract for a public school academy to operate in a school district organized as a school district of the first class, a public school academy authorized by the board of a community college shall not operate in a school district organized as a school district of the first class, the board of a community college shall not issue a contract for a public school academy to operate outside the boundaries of the community college district, and a public school academy authorized by the board of a community college shall not operate outside the boundaries of the community college district. The board of a community college also may issue a contract for not more than 1 public school academy to operate on the grounds of an active or closed federal military installation located outside the boundaries of the community college district, or may operate a public school academy itself on the grounds of such a federal military installation, if the federal military installation is not located within the boundaries of any community college district and the community college has previously offered courses on the grounds of the federal military installation for at least 10 years.
- (d) The governing board of a state public university. However, the combined total number of contracts for public school academies issued by all state public universities shall not exceed 85 through 1996, and, after the initial

evaluation under section 501a, shall not exceed 100 through 1997, 125 through 1998, or 150 thereafter. Further, the total number of contracts issued by any 1 state public university shall not exceed 50 through 1996, and thereafter shall not exceed 50% of the maximum combined total number that may be issued under this subdivision.

- (3) To obtain a contract to organize and operate 1 or more public school academies, 1 or more persons or an entity may apply to an authorizing body described in subsection (2). The application shall include at least all of the following:
 - (a) Identification of the applicant for the contract.
- (b) Subject to the resolution adopted by the authorizing body under section 503(4), a list of the proposed members of the board of directors of the public school academy and a description of the qualifications and method for appointment or election of members of the board of directors.
 - (c) The proposed articles of incorporation, which shall include at least all of the following:
 - (i) The name of the proposed public school academy.
- (ii) The purposes for the public school academy corporation. This language shall provide that the public school academy is incorporated pursuant to this part and that the public school academy corporation is a governmental entity.
 - (iii) The name of the authorizing body.
 - (iv) The proposed time when the articles of incorporation will be effective.
 - (v) Other matters considered expedient to be in the articles of incorporation.
 - (d) A copy of the proposed bylaws of the public school academy.
 - (e) Documentation meeting the application requirements of the authorizing body, including at least all of the following:
 - (i) The governance structure of the public school academy.
- (ii) A copy of the educational goals of the public school academy and the curricula to be offered and methods of pupil assessment to be used by the public school academy. To the extent applicable, the progress of the pupils in the public school academy shall be assessed using at least a Michigan education assessment program (MEAP) test or an assessment instrument developed under section 1279 for a state-endorsed high school diploma.
- (iii) The admission policy and criteria to be maintained by the public school academy. The admission policy and criteria shall comply with section 504. This part of the application also shall include a description of how the applicant will provide to the general public adequate notice that a public school academy is being created and adequate information on the admission policy, criteria, and process.
 - (iv) The school calendar and school day schedule.
 - (v) The age or grade range of pupils to be enrolled.
 - (f) Descriptions of staff responsibilities and of the public school academy's governance structure.
- (g) For an application to the board of a school district, an intermediate school board, or board of a community college, identification of the local and intermediate school districts in which the public school academy will be located.
- (h) An agreement that the public school academy will comply with the provisions of this part and, subject to the provisions of this part, with all other state law applicable to public bodies and with federal law applicable to public bodies or school districts.
- (i) For a public school academy authorized by a school district, an assurance that employees of the public school academy will be covered by the collective bargaining agreements that apply to other employees of the school district employed in similar classifications in schools that are not public school academies.
 - (j) A description of and address for the proposed physical plant in which the public school academy will be located.
- (4) An authorizing body shall oversee, or shall contract with an intermediate school district, community college, or state public university to oversee, each public school academy operating under a contract issued by the authorizing body. The oversight shall be sufficient to ensure that the authorizing body can certify that the public school academy is in compliance with statute, rules, and the terms of the contract. THIS OVERSIGHT SHALL INCLUDE, BUT IS NOT LIMITED TO, SPECIFIC MONITORING OF AND TECHNICAL ASSISTANCE AS NECESSARY IN THE FOLLOWING MATTERS:
- (A) OBTAINING REQUIRED CRIMINAL RECORD CHECKS AND OTHER REQUIRED BACKGROUND CHECKS FOR EMPLOYEES.
- (B) ENSURING PROPER CREDENTIALS AND CERTIFICATION OF TEACHERS AND OTHER INSTRUCTIONAL EMPLOYEES.
 - (C) ENSURING THAT SPECIAL EDUCATION SERVICES ARE PROVIDED.
 - (D) ENSURING THAT INTERNAL CONTROL STRUCTURES ARE IN PLACE.
- (E) IDENTIFYING AND AVOIDING POTENTIAL CONFLICTS OF INTEREST AMONG MEMBERS OF A PUBLIC SCHOOL ACADEMY'S BOARD OF DIRECTORS.
 - (F) TIMELY RECEIPT AND REVIEW OF MINUTES FROM BOARD OF DIRECTORS MEETINGS.
- (G) ENSURING COMPLIANCE WITH LAW CONCERNING STUDENT APPLICATION AND ADMISSIONS PROCEDURES.
 - (H) TIMELY DEVELOPMENT OF REQUIRED POLICIES.
 - (I) ENSURING COMPLIANCE WITH FINANCIAL AND OTHER REPORTING REQUIREMENTS.
 - (J) ADOPTION AND IMPLEMENTATION OF PROCUREMENT POLICIES.
 - (K) TIMELY ACQUISITION AND SUBMISSION OF INSURANCE POLICIES.

- (5) AN AUTHORIZING BODY SHALL ADOPT AND PUBLISH POLICIES AND PROCEDURES FOR SUBMISSION OF COMPLAINTS BY PARENTS AND THE GENERAL PUBLIC ALLEGING NONCOMPLIANCE BY A PUBLIC SCHOOL ACADEMY WITH STATUTE, RULE, OR THE CONTRACT AND FOR HEARING THOSE COMPLAINTS. IF AN AUTHORIZING BODY RECEIVES A COMPLAINT ALLEGING THAT A PUBLIC SCHOOL ACADEMY OPERATING UNDER A CONTRACT ISSUED BY THE AUTHORIZING BODY IS NOT COMPLYING WITH STATUTE, RULE, OR A PROVISION OF THE CONTRACT, THE AUTHORIZING BODY SHALL ENSURE THAT THE COMPLAINT IS INVESTIGATED AND HEARD. THE AUTHORIZING BODY SHALL PROVIDE A COPY OF THE COMPLAINT AND OF THE RESULTS OF THE HEARING TO THE STATE BOARD. A PUBLIC SCHOOL ACADEMY SHALL NOTIFY PARENTS AND MEMBERS OF THE COMMUNITY OF THE OVERSIGHT ROLE OF THE AUTHORIZING BODY AND OF THE OPPORTUNITY AND PROCEDURES FOR FILING A COMPLAINT WITH THE AUTHORIZING BODY.
- (6) (5) If the state board finds that an authorizing body is not engaging in appropriate continuing oversight of 1 or more public school academies operating under a contract issued by the authorizing body, the state board may suspend the power of the authorizing body to issue new contracts to organize and operate public school academies. A contract issued by the authorizing body during the suspension is void. A contract issued by the authorizing body before the suspension is not affected by the suspension. THE STATE BOARD SHALL UNDERTAKE A REVIEW OF WHETHER OR NOT AN AUTHORIZING BODY IS ENGAGING IN APPROPRIATE CONTINUING OVERSIGHT IF THE STATE BOARD HAS REASON TO BELIEVE THAT 1 OR MORE OF THE FOLLOWING HAS OCCURRED AT A PUBLIC SCHOOL ACADEMY OPERATING UNDER A CONTRACT ISSUED BY THE AUTHORIZING BODY:
 - (A) FAILURE TO EMPLOY CERTIFICATED TEACHERS AS REQUIRED BY LAW.
- (B) FAILURE TO EXPEL PUPILS WHEN EXPULSION IS REQUIRED BY LAW OR UNDER THE PUBLIC SCHOOL ACADEMY'S CODE OF STUDENT CONDUCT OR DISCIPLINE POLICY.
 - (C) DISCRIMINATION IN ADMISSIONS IN VIOLATION OF SECTION 504.
 - (D) VIOLATION OF ANY OTHER STATE LAW BY SCHOOL OFFICIALS.
- (7) (6) An authorizing body shall not charge a fee, or require reimbursement of expenses, for considering an application for a contract, for issuing a contract, or for providing oversight of a contract for a public school academy in an amount that exceeds a combined total of 3% of the total state school aid received by the public school academy in the school year in which the fees or expenses are charged. An authorizing body may provide other services for a public school academy and charge a fee for those services, but shall not require such an arrangement as a condition to issuing the contract authorizing the public school academy.
- (8) (7) A public school academy shall be presumed to be legally organized if it has exercised the franchises and privileges of a public school academy for at least 2 years.
- Sec. 503. (1) An authorizing body is not required to issue a contract to any person or entity. Public school academy contracts shall be issued on a competitive basis taking into consideration the resources available for the proposed public school academy, the population to be served by the proposed public school academy, and the educational goals to be achieved by the proposed public school academy.
- (2) If a person or entity applies to the board of a school district for a contract to organize and operate 1 or more public school academies within the boundaries of the school district and the board does not issue the contract, the person or entity may petition the board to place the question of issuing the contract on the ballot to be decided by the school electors of the school district. The petition shall contain all of the information required to be in the contract application under section 502(3) and shall be signed by a number of school electors of the school district equal to at least 15% of the total number of school electors of that school district. The petition shall be filed with the secretary of the board. If the board receives a petition meeting the requirements of this subsection, the board shall place the question of issuing the contract on the ballot at its next annual school election held at least 60 days after receiving the petition. If a majority of the school electors of the school district voting on the question vote to issue the contract, the board shall issue the contract.
- (3) Within 10 days after issuing a contract for a public school academy, the board of the authorizing body shall submit to the state board a copy of the contract and of the application under section 502.
- (4) An authorizing body shall adopt a resolution establishing the method of selection, length of term, and number of members of the board of directors of each public school academy subject to its jurisdiction.
- (5) A contract issued to organize and administer a public school academy shall contain at least all of the following:
- (a) The educational goals the public school academy is to achieve and the methods by which it will be held accountable. THIS SHALL INCLUDE SPECIFIC MEASURABLE OUTCOMES THAT WILL ALLOW THE AUTHORIZING BODY TO DETERMINE WHETHER THE PUBLIC SCHOOL ACADEMY IS MEETING ITS STATED GOALS, INCLUDING GRADUATION RATES FOR PUBLIC SCHOOL ACADEMIES THAT OFFER HIGH SCHOOL OR VOCATIONAL TRAINING PROGRAMS. To the extent applicable, the pupil performance of a public school academy shall be assessed using at least a Michigan education assessment program (MEAP) test or an assessment instrument developed under section 1279 for a state-endorsed high school diploma.
- (b) A description of the method to be used to monitor the public school academy's compliance with applicable law and its performance in meeting its targeted educational objectives.

- (c) A description of the process for amending the contract during the term of the contract.
- (d) All of the matters set forth in the application for the contract.
- (e) For a public school academy authorized by a school district, an agreement that employees of the public school academy will be covered by the collective bargaining agreements that apply to employees of the school district employed in similar classifications in schools that are not public school academies.
- (f) Procedures for revoking the contract and grounds for revoking the contract, including at least the grounds listed in section 507.
 - (g) A description of and address for the proposed physical plant in which the public school academy will be located.
- (h) Requirements and procedures for financial audits. The financial audits shall be conducted at least annually by a certified public accountant in accordance with generally accepted governmental auditing principles.
 - (6) A public school academy shall comply with all applicable law, including all of the following:
- (a) The open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws 1976 PA 267, MCL 15.261 TO 15.275.
- (b) The freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws 1976 PA 442, MCL 15.231 TO 15.246.
- (c) Act No. 336 of the Public Acts of 1947, being sections 423.201 to 423.217 of the Michigan Compiled Laws 1947 PA 336, MCL 423.201 TO 423.217.
- (d) Act No. 166 of the Public Acts of 1965, being sections 408.551 to 408.558 of the Michigan Compiled Laws 1965 PA 166, MCL 408.551 TO 408.558.
 - (e) Sections 1134, 1135, 1146, 1153, 1263(3), 1267, and 1274.
- (7) A public school academy and its incorporators, board members, officers, employees, and volunteers have governmental immunity as provided in section 7 of Act No. 170 of the Public Acts of 1964, being section 691.1407 of the Michigan Compiled Laws 1964 PA 170, MCL 691.1407. An authorizing body and its board members, officers, and employees are immune from civil liability, both personally and professionally, for any acts or omissions in authorizing a public school academy if the authorizing body or the person acted or reasonably believed he or she acted within the authorizing body's or the person's scope of authority.
- (8) A public school academy is exempt from all taxation on its earnings and property. Instruments of conveyance to or from a public school academy are exempt from all taxation including taxes imposed by Act No. 134 of the Public Acts of 1966, being sections 207.501 to 207.513 of the Michigan Compiled Laws 1966 PA 134, MCL 207.501 TO 207.513. A public school academy may not levy ad valorem property taxes or any other tax for any purpose. However, operation of 1 or more public school academies by a school district or intermediate school district does not affect the ability of the school district or intermediate school district to levy ad valorem property taxes or any other tax.
- (9) A public school academy may acquire by purchase, gift, devise, lease, sublease, installment purchase agreement, land contract, option, or by any other means, hold and own in its own name buildings and other property for school purposes, and interests therein, and other real and personal property, including, but not limited to, interests in property subject to mortgages, security interests, or other liens, necessary or convenient to fulfill its purposes. For the purposes of condemnation, a public school academy may proceed under the uniform condemnation procedures act, Act No. 87 of the Public Acts of 1980, being sections 213.51 to 213.77 of the Michigan Compiled Laws 1980 PA 87, MCL 213.51 TO 213.77, excluding sections 6 to 9 of that act, being sections 213.56 to 213.59 of the Michigan Compiled Laws MCL 213.56 TO 213.59, or other applicable statutes, but only with the express, written permission of the authorizing body in each instance of condemnation and only after just compensation has been determined and paid.
- SEC. 503B. A PUBLIC SCHOOL ACADEMY SHALL NOT BEGIN PUPIL INSTRUCTION UNTIL ITS AUTHORIZING BODY HAS SPECIFICALLY DETERMINED THAT ALL OF THE FOLLOWING ARE MET:
- (A) THE PUBLIC SCHOOL ACADEMY HAS ON FILE DOCUMENTATION DEMONSTRATING THAT EACH TEACHER WHO IS REQUIRED BY LAW TO BE CERTIFICATED HOLDS A VALID TEACHING CERTIFICATE THAT IS APPROPRIATE FOR THE TEACHER'S ASSIGNMENT AND THAT ALL OTHER INSTRUCTIONAL PERSONNEL HOLD VALID CREDENTIALS AS REQUIRED BY LAW.
- (B) ALL NECESSARY EDUCATIONAL EQUIPMENT, TEXTBOOKS, AND INSTRUCTIONAL SUPPLIES ARE ON HAND AND READY FOR USE BY PUPILS.
- (C) THE CODE OF STUDENT CONDUCT REQUIRED UNDER SECTION 1312(8) AND ANY OTHER DISCIPLINARY OR STUDENT CONDUCT POLICIES REQUIRED BY LAW ARE PREPARED AND READY FOR DISTRIBUTION.
- SEC. 506A. UPON REASONABLE REQUEST, AND SUBJECT TO APPLICABLE PRIVACY LAW, A PUBLIC SCHOOL ACADEMY, AN AUTHORIZING BODY, AND THE CHARTER SCHOOL OFFICE OF THE DEPARTMENT SHALL MAKE AVAILABLE TO THE AUDITOR GENERAL ALL DOCUMENTS IN ITS POSSESSION CONCERNING THE FORMATION, OPERATION, OR OVERSIGHT OF A PUBLIC SCHOOL ACADEMY.".

The question being on the adoption of the amendment,

Senator V. Smith requested the yeas and nays.

The year 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:

Yeas—14

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

Nays—22

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

Excused—2

Koivisto Van Regenmorter

Not Voting—0

In The Chair: Schwarz

Senator A. Smith offered the following amendment:

1. Amend page 2, line 4, after "POLICY." by inserting "IF THE TERRITORY OF A SCHOOL DISTRICT EXTENDS INTO MULTIPLE JURISDICTIONS, REPRESENTATIVES OF EACH JURISDICTION SHALL PARTICIPATE IN THESE MEETINGS.".

The question being on the adoption of the amendment,

Senator V. Smith requested the yeas and nays.

The year 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. 184 Yeas—18

Byrum Gast Miller Smith, A. Cherry Goschka Murphy Smith, V. DeBeaussaert Hammerstrom Peters Vaughn Dingell Hart Schwarz Young

Emerson Leland

Nays-18

Bennett McManus Gougeon Shugars Sikkema Bullard Hoffman North DeGrow Jave Rogers Steil Dunaskiss Johnson Schuette Stille **Emmons** McCotter

Excused—2

Koivisto Van Regenmorter

Not Voting—0

In The Chair: Schwarz

Senator A. Smith offered the following amendment:

1. Amend page 3, line 16, after "PUPIL" by inserting "AND SHALL REQUIRE A SCHOOL OFFICIAL TO BE PRESENT DURING THE INTERVIEW".

The question being on the adoption of the amendment,

Senator V. Smith 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. 185

Yeas—16

Byrum	Goschka	Leland	Smith, A.
Cherry	Hammerstrom	Miller	Smith, V.
DeBeaussaert	Hart	Murphy	Vaughn
Dingell	Johnson	Peters	Young

Nays-18

Bennett	Gast	North	Shugars
Bullard	Gougeon	Rogers	Sikkema
DeGrow	Jaye	Schuette	Steil
Dunaskiss	McCotter	Schwarz	Stille
Emmons	McManus		

Excused—2

Koivisto Van Regenmorter

Not Voting—2

Emerson Hoffman

In The Chair: Schwarz

Senator A. Smith offered the following amendment:

1. Amend page 6, following line 9, by inserting:

"SEC. 1308A. (1) NOT LATER THAN 90 DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION, THE ATTORNEY GENERAL SHALL DEVELOP AND DISTRIBUTE TO SCHOOL BOARDS A MODEL DUE PROCESS POLICY FOR USE IN EXPULSION PROCEEDINGS UNDER SECTIONS 1311 AND 1311A. IN DEVELOPING THIS POLICY, THE ATTORNEY GENERAL SHALL CONSULT WITH THE JUVENILE LAW SECTION OF THE STATE BAR OF MICHIGAN, THE MICHIGAN COUNCIL ON CRIME AND DELINQUENCY, AND AN ADVOCACY GROUP SPECIALIZING IN SCHOOL ATTENDANCE AND DISCIPLINE ISSUES.

(2) AS USED IN THIS SECTION, "SCHOOL BOARD" MEANS THAT TERM AS DEFINED IN SECTION 1311A.".

The question being on the adoption of the amendment,

Senator Peters requested the yeas and nays.

The year 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:

Yeas—17

Goschka Smith, A. **Byrum** Leland Cherry Smith, V. Hammerstrom Miller Vaughn DeBeaussaert Hart Murphy Young Dingell Jaye Peters Emerson

Nays—19

Bennett Gast McManus Shugars Sikkema Bullard Gougeon North **DeGrow** Hoffman Rogers Steil Dunaskiss Johnson Schuette Stille McCotter Schwarz **Emmons**

Excused—2

Koivisto Van Regenmorter

Not Voting—0

In The Chair: Schwarz

Senator A. Smith offered the following amendment:

- 1. Amend page 6, following line 25, by inserting:
- "SEC. 1310A. (1) IF A SCHOOL BOARD EXPELS A PUPIL PURSUANT TO SECTION 1311 OR 1311A, THE SCHOOL BOARD SHALL REPORT ALL OF THE FOLLOWING TO THE OFFICE OF SAFE SCHOOLS IN THE DEPARTMENT:
 - (A) THE DATE OF AND REASON FOR THE EXPULSION.
 - (B) THE EDUCATIONAL PLACEMENT OF THE EXPELLED INDIVIDUAL DURING THE EXPULSION.
 - (C) THE DISPOSITION OF ANY REINSTATEMENT PROCEEDINGS.
 - (D) THE AGE, SEX, RACE, AND ETHNICITY OF THE EXPELLED INDIVIDUAL.
- (2) AT LEAST ANNUALLY, THE OFFICE OF SAFE SCHOOLS IN THE DEPARTMENT SHALL SUBMIT TO THE LEGISLATURE A REPORT ON EXPULSIONS, EDUCATIONAL PLACEMENTS, AND REINSTATEMENTS, AS DESCRIBED IN SUBSECTION (1), WITH THE DATA DESEGREGATED BY AGE, SEX, RACE, AND ETHNICITY.
 - (3) AS USED IN THIS SECTION, "SCHOOL BOARD" MEANS THAT TERM AS DEFINED IN SECTION 1311A.". The amendment was adopted, a majority of the members serving voting therefor.

Senator Peters offered the following amendment:

- 1. Amend page 1, following "THE PEOPLE OF THE STATE OF MICHIGAN ENACT:" by inserting:
- "SEC. 506B. IF A PUBLIC SCHOOL ACADEMY IS MANAGED OR OPERATED BY A FOR-PROFIT ENTITY, THAT MANAGING OR OPERATING ENTITY SHALL SUBMIT AN ANNUAL FINANCIAL REPORT NOT LATER THAN 60 DAYS AFTER THE END OF THE SCHOOL FISCAL YEAR TO THE BOARD OF DIRECTORS OF THE PUBLIC SCHOOL ACADEMY, TO THE AUTHORIZING BODY FOR THE PUBLIC SCHOOL ACADEMY, AND TO THE DEPARTMENT CONCERNING THE FINANCIAL DETAILS OF ITS MANAGEMENT OR OPERATION OF THE PUBLIC SCHOOL ACADEMY. THIS REPORT SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING FOR THE SCHOOL FISCAL YEAR:
- (A) THE AMOUNT OF PROFIT ACCRUED TO THE MANAGING OR OPERATING ENTITY FROM MANAGING OR OPERATING THE PUBLIC SCHOOL ACADEMY.
- (B) THE AMOUNT OF THE PUBLIC SCHOOL ACADEMY'S TOTAL REVENUE EXPENDED TO PROVIDE DIRECT SERVICES FOR ITS PUPILS.
- (C) THE COMBINED TOTAL AMOUNT OF PROFIT ACCRUED TO THE MANAGING OR OPERATING ENTITY FROM ITS ACTIVITIES IN MANAGING OR OPERATING EDUCATIONAL FACILITIES BOTH WITHIN AND OUTSIDE OF THIS STATE.

(D) THE TOTAL AMOUNT OF REVENUE FROM ALL OF THE MANAGING OR OPERATING ENTITY'S EDUCATIONAL ENTERPRISES THAT WAS EXPENDED ON DIRECT SERVICES FOR PUPILS IN THIS STATE.".

The question being on the adoption of the amendment,

Senator V. Smith 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. 187 Yeas—16

Byrum	Emerson	Leland	Smith, A.
Cherry	Goschka	Miller	Smith, V.
DeBeaussaert	Hart	Murphy	Vaughn
Dingell	Jaye	Peters	Young

Nays-20

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

Excused—2

Koivisto Van Regenmorter

Not Voting—0

In The Chair: Schwarz

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. 188 Yeas—36

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

Nays-0

Excused—2

Koivisto Van Regenmorter

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.

Senator A. Smith offered to amend the title to read as follows:

A bill to amend 1976 PA 451, entitled "An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies, and intermediate school districts; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, and intermediate school districts; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts," (MCL 380.1 to 380.1852) by adding sections 1308, 1310, and 1310a.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

The following bill was read a third time:

Senate Bill No. 183, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," (MCL 380.1 to 380.1852) by adding sections 1308, 1311a, and 1311c.

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. 189

Yeas-36

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

Nays—0

Excused—2

Koivisto Van Regenmorter

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. 206, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," (MCL 380.1 to 380.1852) by adding section 1311a. The question being on the passage of the bill,

Senator Hammerstrom offered the following amendment:

1. Amend page 2, line 9, after "BEHALF," by inserting "OR IF A PUPIL ENROLLED IN GRADE 6 OR ABOVE MAKES A BOMB THREAT OR SIMILAR THREAT DIRECTED AT A SCHOOL BUILDING, OTHER SCHOOL PROPERTY, OR A SCHOOL-RELATED EVENT,".

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

Senator Leland offered the following amendments:

- 1. Amend page 8, line 11, by striking out all of line 11 through "EXPULSION." on line 14 and inserting "THE EXPELLING SCHOOL BOARD SHALL PLACE THE INDIVIDUAL IN A SUITABLE ALTERNATIVE EDUCATION PROGRAM OR IN A STRICT DISCIPLINE ACADEMY TO CONTINUE HIS OR HER EDUCATION DURING THE EXPULSION.".
- 2. Amend page 8, line 19, after "DISTRICTS" by striking out the balance of the line through "INDIVIDUALS" on line 20.

The question being on the adoption of the amendments,

Senator V. Smith 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. 190 Yeas—19

Cherry	Goschka	Leland	Smith, A.
DeBeaussaert	Hammerstrom	Miller	Smith, V.
Dingell	Hart	Murphy	Vaughn
Dunaskiss	Hoffman	Peters	Young
Emerson	Johnson	Schwarz	_

Nays—17

Bennett	Gast	McManus	Shugars
Bullard	Gougeon	North	Sikkema
Byrum	Jaye	Rogers	Steil
DeGrow	McCotter	Schuette	Stille

Emmons

Excused—2

Koivisto Van Regenmorter

Not Voting—0

In The Chair: Schwarz

Senator Leland moved to reconsider the vote by which the amendments he offered were not adopted.

The motion did not prevail.

Senator Leland requested the yeas and nays.

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

The motion did not prevail, a majority of the members not voting therefor, as follows:

Yeas—14

Byrum Emerson
Cherry Hart
DeBeaussaert Leland
Dingell Miller

Murphy Smith, V.
Peters Vaughn
Smith, A. Young

Nays—22

Bennett Goschka
Bullard Gougeon
DeGrow Hammerstrom
Dunaskiss Hoffman
Emmons Jaye
Gast Johnson

McCotterSchwarzMcManusShugarsNorthSikkemaRogersSteilSchuetteStille

Excused—2

Koivisto Van Regenmorter

Not Voting—0

In The Chair: Schwarz

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. 192

Yeas—35

Bennett **Emmons** Leland Bullard Gast McCotter Byrum Goschka McManus Cherry Gougeon Miller Hammerstrom DeBeaussaert Murphy DeGrow Hart North Dingell Hoffman Peters Dunaskiss Jaye Rogers Johnson Schuette Emerson

Schwarz Shugars Sikkema Smith, V. Steil Stille Vaughn Young

Nays—1

Smith, A.

Excused—2

Koivisto Van Regenmorter

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. 206.

Senator A. Smith's statement is as follows:

Mr. President, I voted "no" on Senate Bill No. 206 for two reasons.

The first reason is because it did not contain a requirement for alternative education. It is my firm belief that if we turn students out of school without a requirement that they attend an alternative education placement, we are simply turning children back into a community that is even more defenseless in many instances than in the school setting.

We have allowed a bad dog in the school to go out and become a bad pack dog on the street. Until we as a Legislature address our responsibility to provide and pay for that alternative education setting so we can turn these children around and so that we scan make improvements not only in their lives immediately, but in the life of the community as a whole, we are shirking our responsibility.

I also voted "no" on this legislation because it removes from the local district the opportunity to look at a student and say: Yes, that student did an assault in this building, but we don't believe that the assault deserves 180 days expulsion. We think there are mitigating circumstances. We think the child might have been off his meds. We think the child might have been under some duress. There may have been other causes, and we do not allow the local school board to exercise the responsibility that its citizens gave that board when they elected them.

There are mitigating circumstances; that's why we have trials and why we have judicial discretion. It's also why we ought to have school board discretion. For those reasons, Mr. President, I voted "no" on Senate Bill No. 206.

The following bill was read a third time:

Senate Bill No. 211, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," (MCL 380.1 to 380.1852) by adding section 1310. The question being on the passage of the bill,

Senator Shugars offered the following amendments:

- 1. Amend page 1, line 1, after "1310." by inserting "(1)".
- 2. Amend page 1, following line 3, by inserting:
- "(2) THE PUBLIC SCHOOLS OF THIS STATE ARE ENCOURAGED TO FOSTER AN ENVIRONMENT INVOLVING ETHICAL CONDUCT AND CITIZENSHIP.".

The amendments were adopted, a majority of the members serving voting therefor.

Senator Byrum offered the following amendment:

- 1. Amend page 1, following line 3, by inserting:
- "(3) THE PUBLIC SCHOOLS OF THIS STATE ARE ENCOURAGED TO PROVIDE INSTRUCTION IN ETHICS AND CITIZENSHIP WHENEVER RELEVANT TO THE SUBJECT MATTER OF A CLASS.".

The question being on the adoption of the amendment,

Senator V. Smith requested the yeas and nays.

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

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

Roll Call No. 193 Yeas—20

Bennett	Emerson	Miller	Smith, A.
Byrum	Goschka	Murphy	Smith, V.
Cherry	Hammerstrom	Peters	Stille
DeBeaussaert	Hart	Schuette	Vaughn
Dingell	Leland	Schwarz	Young

Nays-16

Bullard	Gast	Johnson	Rogers
DeGrow	Gougeon	McCotter	Shugars
Dunaskiss	Hoffman	McManus	Sikkema
Emmons	Jaye	North	Steil

Excused—2

Koivisto Van Regenmorter

Not Voting—0

In The Chair: Schwarz

Senator Byrum offered the following amendment:

- 1. Amend page 1, following line 3, by inserting:
- "(4) THE PUBLIC SCHOOLS OF THIS STATE ARE ENCOURAGED TO PROVIDE A CURRICULUM THAT IS ALIGNED WITH THE STATE BOARD RECOMMENDED MODEL CORE ACADEMIC CURRICULUM CONTENT STANDARDS DEVELOPED UNDER SECTION 1278.".

The question being on the adoption of the amendment,

Senator V. Smith requested the yeas and nays.

The year 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. 194

Yeas—14

Byrum	Emerson	Murphy	Smith, V.
Cherry	Hart	Peters	Vaughn
DeBeaussaert	Leland	Smith, A.	Young
Dingell	Miller		-

Nays—22

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

Excused—2

Koivisto Van Regenmorter

Not Voting—0

In The Chair: Schwarz

Senator Peters offered the following amendment:

- 1. Amend page 1, following line 3, by inserting:
- "(4) THE PUBLIC SCHOOLS OF THIS STATE ARE ENCOURAGED TO PROVIDE ANTI-VIOLENCE EDUCATION AND OTHER EDUCATIONAL PROGRAMS THAT REDUCE THE INCIDENCE OF VIOLENCE.".

The question being on the adoption of the amendment,

Senator V. Smith requested the yeas and nays.

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

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

Yeas—36

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

Nays—0

Excused—2

Koivisto Van Regenmorter

Not Voting—0

In The Chair: Schwarz

Senator Peters offered the following amendment:

- 1. Amend page 1, following line 3, by inserting:
- "(5) IN ORDER TO MAXIMIZE AND ENCOURAGE PARENTAL INVOLVEMENT, THE BOARD OF A SCHOOL DISTRICT IS ENCOURAGED TO ENSURE THAT, WHENEVER POSSIBLE, DECISIONS SHOULD BE MADE AT THE SCHOOL BUILDING LEVEL AND INCLUDE THE PARTICIPATION OF TEACHERS, SCHOOL ADMINISTRATORS, PARENTS, PUPILS, AND OTHERS IN THE SCHOOL COMMUNITY."

Yeas—18

The question being on the adoption of the amendment,

Senator V. Smith 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. 196

Byrum Goschka Miller Smith, A. Cherry Hammerstrom Murphy Smith, V. DeBeaussaert Hart Peters Vaughn Dingell Young Jaye Schwarz Emerson Leland

Nays—18

Bennett Gast McManus Shugars Bullard Gougeon North Sikkema Hoffman **DeGrow** Rogers Steil Dunaskiss Johnson Schuette Stille **Emmons** McCotter

Excused—2

Koivisto Van Regenmorter

Not Voting—0

In The Chair: Schwarz

Senator Jaye offered the following amendments:

- 1. Amend page 1, line 2, after "PUPILS" by inserting "IN GRADES 7 TO 12".
- 2. Amend page 1, following line 3, by inserting:
- "(5) THE BOARD OF A SCHOOL DISTRICT OR BOARD OF DIRECTORS OF A PUBLIC SCHOOL ACADEMY SHALL ADOPT POLICIES REQUIRING PUPILS IN GRADES K TO 6 TO WEAR SCHOOL UNIFORMS AT SCHOOL AND SCHOOL-RELATED FUNCTIONS.
- (6) A SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY MAY EXPEND SCHOOL OPERATING FUNDS TO PAY OR ASSIST IN PAYING FOR SCHOOL UNIFORMS REQUIRED PURSUANT TO THIS SECTION.".

The question being on the adoption of the amendments,

Senator Jaye 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. 197	Yeas—6			
Bullard Dingell	Dunaskiss Jaye	Johnson	Steil	
Nays—30				
Bennett Byrum Cherry DeBeaussaert DeGrow Emerson Emmons Gast	Goschka Gougeon Hammerstrom Hart Hoffman Leland McCotter McManus	Miller Murphy North Peters Rogers Schuette Schwarz	Shugars Sikkema Smith, A. Smith, V. Stille Vaughn Young	

Excused—2

Koivisto Van Regenmorter

Not Voting—0

In The Chair: Schwarz

Senator Rogers moved to reconsider the vote by which the amendments offered by Senator Byrum were adopted.

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

The question being on the adoption of the amendments,

Senator Shugars requested the yeas and nays.

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

The amendments were adopted, a majority of the members serving voting therefor, as follows:

Yeas—36

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

Nays-0

Excused—2

Koivisto Van Regenmorter

Not Voting—0

In The Chair: Schwarz

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. 199

Yeas—36

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

Nays—0

Excused—2

Koivisto Van Regenmorter

Not Voting—0

In The Chair: Schwarz

The Senate agreed to the title of the bill.

By unanimous consent the Senate returned to the order of

Motions and Communications

Senator Rogers moved that the rules be suspended and that the following bill, now on Committee Reports, be placed on its immediate passage at the head of the Third Reading of Bills calendar:

Senate Bill No. 573

On which motion Senator V. Smith requested the yeas and nays.

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

The motion prevailed, a majority of the members serving voting therefor, as follows:

Roll Call No. 200 Yeas—22

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

Navs—13

Cherry Jaye Murphy Smith, V.
DeBeaussaert Leland Peters Vaughn
Dingell Miller Smith, A. Young
Hart

Excused—2

Koivisto Van Regenmorter

Not Voting—1

Emerson

In The Chair: Schwarz

By unanimous consent the Senate returned to the order of

Third Reading of Bills

The following bill was read a third time:

Senate Bill No. 573, entitled

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending sections 37c and 37d (MCL 208.37c and 208.37d), as amended by 1996 PA 470.

The question being on the adoption of the following committee substitute:

Substitute (S-1).

Senators Schuette and Jaye offered the following amendments to the substitute:

1. Amend page 1, following "THE PEOPLE OF THE STATE OF MICHIGAN ENACT:" by inserting:

"Sec. 4. (1) "Casual transaction" means a transaction made or engaged in other than in the ordinary course of repeated and successive transactions of a like character, except that a transaction made or engaged in by a person that is incidental to that person's regular business activity is a business activity within the meaning of this act.

- (2) "Commissioner" means the state commissioner of revenue.
- (3) Except as otherwise provided in this section, "compensation" means all wages, salaries, fees, bonuses, commissions, or other payments made in the taxable year on behalf of or for the benefit of employees, officers, or directors of the taxpayers. and COMPENSATION INCLUDES, BUT IS NOT LIMITED TO, PAYMENTS THAT ARE subject to or specifically exempt from withholding under chapter 24, sections 3401 to 3406 of the internal revenue code. Compensation ALSO includes, on a cash or accrual basis consistent with the taxpayer's method of accounting for federal income tax purposes, payments to state and federal unemployment compensation funds, payments under the federal insurance contribution act and similar social insurance programs, payments, including self-insurance, for worker's compensation insurance, payments to individuals not currently working, payments to dependents and heirs of individuals because of current or former labor services rendered by those individuals, payments to a pension, retirement, or profit sharing plan, and payments for insurance for which employees are the beneficiaries, including payments under health and welfare and noninsured benefit plans and payments of fees for the administration of health and welfare and noninsured benefit plans. Compensation does not include any of the following:
- (a) Discounts on the price of the taxpayer's merchandise or services sold to the taxpayer's employees, officers, or directors that are not available to other customers.
 - (b) Payments to an independent contractor.
- (c) For tax years beginning after December 31, 1994, payments to state and federal unemployment compensation funds.
- (d) For tax years beginning after December 31, 1994, the employer's portion of payments under the federal insurance contribution act, the railroad retirement tax act, chapter 22 of title 26 of the United States Code, 26 U.S.C. 3201 to 3233, and similar social insurance programs.
- (e) For tax years beginning after December 31, 1994, payments, including self-insurance payments, for worker's compensation insurance or federal employers liability act insurance pursuant to chapter 149, 35 Stat. 65, 45 U.S.C. 51 to 60.
 - (4) "Department" means the revenue division BUREAU of the department of treasury.
- Sec. 5. (1) "Employee" means an employee as defined in section 3401(c) of the internal revenue code. A person from whom an employer is required to withhold for federal income tax purposes shall prima facie be deemed an employee.
- (2) "Employer" means an employer as defined in section 3401(d) of the internal revenue code. A person required to withhold for federal income tax purposes shall prima facie be deemed an employer.
 - (3) "Federal taxable income" means taxable income as defined in section 63 of the internal revenue code.
- (4) "Internal revenue code" means the United States internal revenue code of 1986 , as amended, and in effect on January 1, 1987 1999 OR, AT THE OPTION OF THE TAXPAYER, IN EFFECT FOR THE TAX YEAR.
- Sec. 6. (1) "Person" means an individual, firm, bank, financial institution, limited partnership, copartnership, partnership, joint venture, association, LIMITED LIABILITY COMPANY, corporation, receiver, estate, trust, BUSINESS TRUST, BUSINESS ORGANIZATION, or any other group or combination acting as a unit, INCLUDING A PERSON THAT IS FORMED UNDER THE LAWS OF A FOREIGN COUNTRY OR POLITICAL SUBDIVISION THEREOF.
- (2) "Rent" includes a lease payment or other payment for the use of any property to which the taxpayer does not have legal or equitable title.".
 - 2. Amend page 7, following line 16, by inserting:
- "Sec. 49. The payroll factor is a fraction, the numerator of which is the total wages paid in this state during the tax year by the taxpayer and the denominator of which is the total wages paid everywhere during the tax year by the taxpayer. For the purposes of this chapter only, "wages" means ALL WAGES, SALARIES, FEES, BONUSES, COMMISSIONS, OR OTHER PAYMENTS MADE IN THE TAXABLE YEAR ON BEHALF OF OR FOR THE BENEFIT OF EMPLOYEES, OFFICERS, OR DIRECTORS OF THE TAXPAYER AND INCLUDES, BUT IS NOT LIMITED TO, PAYMENTS THAT ARE SUBJECT TO OR SPECIFICALLY EXEMPT FROM WITHHOLDING UNDER CHAPTER 24, SECTIONS 3401 TO 3406 wages as defined in section 3401 of the internal revenue code."

The amendments were adopted, a majority of the members serving voting therefor.

Senator Peters offered the following amendments to the substitute:

- 1. Amend page 4, following line 8, by inserting:
- "(8) AN AUTHORIZED BUSINESS OR PERSON WHO HAS AN INTEREST IN AN AUTHORIZED BUSINESS, OR THE SPOUSE, PARENT, CHILD, OR SPOUSE OF A CHILD OF A PERSON WHO HAS AN INTEREST IN AN AUTHORIZED BUSINESS, SHALL NOT MAKE A CONTRIBUTION TO ANY OF THE FOLLOWING:
 - (A) A CANDIDATE OR A COMMITTEE DURING THE FOLLOWING PERIODS:
- (i) THE TIME PERIOD DURING WHICH THE AUTHORIZED BUSINESS IS ELIGIBLE FOR A TAX CREDIT PROVIDED IN THE MICHIGAN ECONOMIC GROWTH AUTHORITY ACT, 1995 PA 24, MCL 207.801 TO 207.810.
- (ii) THE 3 YEARS FOLLOWING THE FINAL EXPIRATION OR TERMINATION OF THE AUTHORIZED BUSINESS'S ELIGIBILITY FOR A TAX CREDIT PROVIDED IN THE MICHIGAN ECONOMIC GROWTH AUTHORITY ACT, 1995 PA 24, MCL 207.801 TO 207.810.

- (B) A CANDIDATE OR COMMITTEE THROUGH A LEGAL ENTITY THAT IS ESTABLISHED, DIRECTED, OR CONTROLLED BY ANY OF THE PERSONS DESCRIBED IN THIS SUBSECTION DURING THE TIME PERIODS DESCRIBED IN SUBDIVISION (A)." and renumbering the remaining subsection.
 - 2. Amend page 4, following line 18, by inserting:
 - "(C) "CANDIDATE" MEANS BOTH OF THE FOLLOWING:
- (i) THAT TERM AS DEFINED IN SECTION 3 OF THE MICHIGAN CAMPAIGN FINANCE ACT, 1976 PA 388, MCL 169.203.
 - (ii) THE HOLDER OF ANY STATE, LEGISLATIVE, OR LOCAL ELECTIVE OFFICE.
 - (D) "COMMITTEE" MEANS ANY OF THE FOLLOWING:
- (i) A CANDIDATE COMMITTEE AS THAT TERM IS DEFINED IN SECTION 3 OF THE MICHIGAN CAMPAIGN FINANCE ACT, 1976 PA 388, MCL 169.203.
- (ii) A POLITICAL PARTY COMMITTEE AS THAT TERM IS DEFINED IN SECTION 11 OF THE MICHIGAN CAMPAIGN FINANCE ACT, 1976 PA 388, MCL 169.211.
- (iii) AN INDEPENDENT COMMITTEE AS THAT TERM IS DEFINED IN SECTION 8 OF THE MICHIGAN CAMPAIGN FINANCE ACT, 1976 PA 388, MCL 169.208.
 - (iv) A COMMITTEE ORGANIZED BY A LEGISLATIVE CAUCUS OF A CHAMBER OF THE LEGISLATURE.
 - (E) "OFFICER" MEANS EITHER OF THE FOLLOWING:
- (i) AN INDIVIDUAL LISTED AS AN OFFICER OF A CORPORATION, LIMITED LIABILITY COMPANY, OR LIMITED LIABILITY PARTNERSHIP.
- (ii) AN INDIVIDUAL WHO IS A SUCCESSOR TO AN INDIVIDUAL DESCRIBED IN SUBPARAGRAPH (i)." and relettering the remaining subdivisions.
 - 3. Amend page 4, following line 20, by inserting:
- "(G) "PERSON WHO HAS AN INTEREST IN AN AUTHORIZED BUSINESS" MEANS A PERSON IN ANY OF THE FOLLOWING CIRCUMSTANCES:
 - (i) THE PERSON HOLDS AT LEAST A 1% INTEREST IN THE AUTHORIZED BUSINESS.
- (ii) THE PERSON IS AN OFFICER OR A MANAGERIAL EMPLOYEE OF THE AUTHORIZED BUSINESS AS DEFINED BY RULES PROMULGATED BY THE AUTHORITY.
- (iii) THE PERSON IS AN OFFICER OF A PERSON WHO HOLDS AT LEAST A 1% INTEREST IN THE AUTHORIZED BUSINESS.
- (iv) THE PERSON IS AN INDEPENDENT COMMITTEE OF THE AUTHORIZED BUSINESS." and relettering the remaining subdivision.

The question being on the adoption of the amendments,

Senator V. Smith requested the yeas and nays.

The year 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. 201 Yeas—16

Byrum	Emerson	Jaye	Smith, A.
Cherry	Goschka	Leland	Smith, V.
DeBeaussaert	Hammerstrom	Murphy	Vaughn
Dingell	Hart	Peters	Young

Nays—20

Bennett	Gast	McManus	Schwarz
Bullard	Gougeon	Miller	Shugars
DeGrow	Hoffman	North	Sikkema
Dunaskiss	Johnson	Rogers	Steil
Emmons	McCotter	Schuette	Stille

Excused—2

Not Voting—0

Yeas-34

In The Chair: Schwarz

The substitute, as amended, 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. 202

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

Nays-2

Jaye Peters

Excused—2

Koivisto Van Regenmorter

Not Voting—0

In The Chair: Schwarz

Senator Schuette offered to amend the title to read as follows:

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending sections 4, 5, 6, 37c, 37d, and 49 (MCL 208.4, 208.5, 208.6, 208.37c, 208.37d, and 208.49), section 4 as amended by 1995 PA 285, section 5 as amended by 1987 PA 253, and sections 37c and 37d as amended by 1996 PA 470, and by adding section 19.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

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

The motion prevailed.

Senator Schuette's statement is as follows:

As I was saying, what the reauthorization of MEGA for a four-year period of time, the Michigan Economic Growth Authority, does is continue the arsenal of tools we have in our economic toolbox in terms of making sure that Michigan is a state of prosperity and jobs. That's what we have done in the past years. What it does is make sure that for

businesses that are expanding in Michigan and for all businesses in other parts of the country that wish to relocate in our state, that we're making sure that Michigan is up front. There a sign for all states and nations that says Michigan is open for business, we are a place of low taxes, good paying jobs, and this is where you should bring your families.

Now there is an economic civil war across America. So many other states are engaged in these incentives, and it's important that we take a back seat to no one. We've done it in a way that you tie it as a part of the single business tax calculation. Indeed, I think it was wise policy in the past, and the Rogers' bill is a laser beam shot of creating jobs in Lansing, Michigan. That is so important for this area of central Michigan as well.

Senator Jaye did offer an amendment, which was a tremendous one in committee. It helped equalize and make sure there was an element of fairness between Canadian companies that are domiciled in Canada and may be doing business in Michigan. There was a little loophole that was causing Canadian companies not to pay their fair share of the single business tax.

The Jaye amendment was a tremendous one in committee, and we also need to offer a couple of technical changes. One of the amendments includes withholding income to the definition of compensation; another one adds the 1999 Internal Revenue Code instead of the 1987; the third amendment adds the limited liability corporation as the list of entities that would be caught up in this net; and a final one makes sure that Canadian wages are included in the definition of single business tax. So this is a technical amendment to the Jaye amendment, which really puts a dragnet on foreign companies that weren't paying their fair share in Michigan. I know that the Senator wanted to make some comments on that in a moment.

I'd urge adoption of these technical amendments, and the bill itself, a tremendous effort by Senator Rogers.

Senator Rogers' statement is as follows:

This is an extremely important piece of legislation, I think, to Michigan. Some years back, many of us were skeptical about the MEGA program and what it could do for Michigan citizens. I enthusiastically support this bill. I sponsored it because of the importance and what is clearly demonstrated as a successful operation and a successful tool for economic development for Michigan.

This has been good for working families, both union and nonunion all across this state. It has allowed 59 companies to say "yes" to Michigan. It has provided \$22 billion in personal income growth to working Michigan families since its inception. That is an incredibly powerful statement as to the success of this program. This bill is also going to allow GM to locate here in Lansing. It's going to allow the first, second and third tier suppliers in this whole region to stand up and rejoice that we are going to attract that kind of a manufacturing facility back here to mid-Michigan and make their companies profitable and their employees well-off and their family lives that much better.

This has been a 4-to-1 return on our investment, Mr. President. For every dollar that we have spent in tax revenues, we have received \$4 in increased revenues. This isn't about corporate welfare or picking winners and losers; this is about empowering Michigan families to take care of their own. This has been an extremely successful program. Fifty of the 59 sites have been manufacturing, where the average wage is close to \$800 per week per employee, and nonmanufacturing is close to \$600 per week

This has been a win-win-win for us. That's why we're taking it up so quickly. We're going to run it all the way today, Mr. President, again, to secure GM and to secure the futures of so many working Michigan families.

Senators Byrum, Emmons, Johnson, Gast, Goschka, Dunaskiss and Shugars moved that they be named co-sponsors of the following bill:

Senate Bill No. 573

The motion prevailed.

Senator Rogers moved to reconsider the vote by which consideration of the following bills was postponed for today:

Senate Bill No. 544

Senate Bill No. 545

The motion prevailed.

The question being on the motion that further consideration of the bills be postponed for today,

Senator Rogers withdrew the motion.

The following bill was read a third time:

Senate Bill No. 246, entitled

A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," (MCL 436.1101 to 436.2303) by adding section 904.

The question being on the passage of the bill,

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

Yeas—36

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

Nays—0

Excused—2

Koivisto Van Regenmorter

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. 562, entitled

A bill to amend 1931 PA 328, entitled "The Michigan penal code," (MCL 750.1 to 750.568) by adding section 145d. The question being on the passage of the bill,

Senator Hoffman offered the following amendments:

- 1. Amend page 2, following line 3, by inserting:
- "(D) COMMITTING, ATTEMPTING TO COMMIT, CONSPIRING TO COMMIT, OR SOLICITING ANOTHER PERSON TO COMMIT CONDUCT PROSCRIBED UNDER SECTION 301, 302, 303, 304, 305, 305A, OR 311 OF THIS ACT OR SECTION 18 OF THE MICHIGAN GAMING CONTROL AND REVENUE ACT, THE INITIATED LAW OF 1996, MCL 432.218."
 - 2. Amend page 2, line 5, after "(1)(A)" by striking out "OR (B)" and inserting a comma and "(B), OR (D)".
 - 3. Amend page 2, line 9, after "(1)(A)" by striking out "OR (B)" and inserting a comma and "(B), OR (D)".

The amendments were 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. 204

Yeas—35

Bennett **Emmons** Leland Schwarz Bullard Gast McCotter Shugars Sikkema Byrum Goschka McManus Cherry Gougeon Miller Smith, V. DeBeaussaert Hammerstrom Murphy Steil DeGrow Hart North Stille Dingell Hoffman Peters Vaughn Dunaskiss Jave Rogers Young Emerson Johnson Schuette

Nays—0

Excused—2

Koivisto Van Regenmorter

Not Voting—1

Smith, A.

In The Chair: Schwarz

The Senate agreed to the title of the bill.

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

The motion prevailed.

Senator Rogers' statement is as follows:

I supported the Hoffman amendment. I would have supported the Byrum amendment had it been two years. I do think that sending an e-mail transmission saying that you're going to blow up a school versus saying that you're going to send \$5 to your bookie, Vinnie, is a huge difference, and we need to make that distinction.

We should not somehow get off on, for whatever reason, the purpose and intent of this bill. This bill is about using the Internet to build explosives, implement them, and God forbid, they end up in a school or in an office building or in a state capitol. That's what this is about. I don't know what the other stuff is about, but we ought to focus on what's important here.

It's the people, and quite frankly, the children who are being targeted by these sites on the Internet that are encouraging them to experiment with explosives. Thankfully, no one has been hurt to date that at least we can see in the state of Michigan.

We need to get after these folks. The Internet is an extremely powerful and important tool that we have available to us. It can bring great changes to our economic and financial well-being in this state as we're seeing that it's used in business every day more and more. It can also be a great tool for educational ends. If we don't vigilantly stand up and protect the Internet from those who would seek it for ill-gotten gains, and as the sexual predators get after our children and as bomb makers—believe me, bomb making on the Internet has no social redeemable value—seeks to get after our kids and allow them to experiment with putting a bomb in the boiler room at a school, that's what this is about.

For all that inside baseball stuff, I don't know, Mr. President, but we ought to focus on what's important. Let's get after those individuals who are using the Internet to build, construct, implement, place and threaten the safety of our communities with explosives and bombs. Our children are truly at risk—that's what we ought to be concerned about. Our teachers are at risk—that's what we ought to be concerned about. There are citizens out there right now who are eager to get and experiment with that kind of information on the Internet. That's what we ought to be worried about. That's what this package does. I applaud the members—all of your support—for this, I think, important package.

We're one of the first states in the country to have a comprehensive Internet package that truly gets at the heart of the matter—and that's getting sexual predators, bombers and pornographers from peddling their ill-gotten goods to our children. I urge the body's support.

Senators Byrum, Hoffman, Peters, Young, Murphy and V. Smith moved that they be named co-sponsors of the following bill:

Senate Bill No. 562

The motion prevailed.

Senator A. Smith stated that had she been present when the vote was taken on the passage of the following bill, she would have voted "yea":

Senate Bill No. 562

The following bill was read a third time:

House Bill No. 4191, entitled

A bill to amend 1982 PA 455, entitled "The library privacy act," by amending section 2 (MCL 397.602), as amended by 1998 PA 7, and by adding section 6.

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. 205 Yeas—36

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

Nays—0

Excused—2

Koivisto Van Regenmorter

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 provide for the confidentiality of certain library records; and to provide for the selection and use of library materials.".

The Senate agreed to the full title.

The following bill was read a third time:

Senate Bill No. 422, entitled

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending sections 304 and 306 (MCL 750.304 and 750.306).

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. 206 Yeas—22

Bennett	Emmons	McManus	Schwarz
Bullard	Hammerstrom	Miller	Smith, A.
Byrum	Hart	Murphy	Steil
Cherry	Jaye	North	Stille
DeBeaussaert	Leland	Peters	Vaughn
Dingell	McCotter		•

Nays—14

DeGrowGoschkaRogersSikkemaDunaskissGougeonSchuetteSmith, V.EmersonHoffmanShugarsYoungGastJohnson

Excused—2

Koivisto Van Regenmorter

Not Voting—0

In The Chair: Schwarz

The Senate agreed to the title of the bill.

Protest

Senator Rogers, under his constitutional right of protest (Art. 4, Sec. 18), protested against the passage of Senate Bill No. 422.

Senator Rogers' statement is as follows:

Mr. President, I don't think anyone here is interested in having law enforcement resources spent on small insignificant games of chance. However, what I have done here today, I think, is much broader than that, and it's certainly cause for worry. They've made some efforts to try to curtail this thing and make it small and keep it to individual games of chance. However, what we have just done has created a whole new college industry, and believe me as we are capitalist at heart, each and every one of us, the folks who will use these for ill-gotten gains will be there.

Let me give you a very quick example. Mr. President, I would gladly go up now and start my cards that will list all of the sports teams, and I will not charge an administrative fee to rake the pot, but you will. If you want to play in my establishment, you have to purchase my card and my game pieces. By the way, you will also need to subscribe to my information pamphlet that will talk about the teams, the scores, the chances, and the odds that sometimes you can do through odds lines now, both through the Internet and over the phone.

We have, in hopes of trying to alleviate a problem, just created a new industry of gambling, and if they're smart about it, they will be all over it like a bad suit, and I know that they will.

We have also found out recently that the NCAA has made some inquiries and have, to the best of our ascertainment, concerns over the bill for the very simple reason that currently you can't have athletes betting against themselves or teams that they're playing. Well, now you've just created an opportunity for Michigan State players to go and bet on the Michigan team and the Michigan team to go ahead and bet on the Michigan State team. Collegiate sports are going to have some problems with this as well. We didn't do anything to address that.

Again, this is not about getting after that small group who are playing games of chance; this is about opening up the door to a very broader and a very real problem that we will face, I guarantee it, if we expand the use of sports betting in bars and establishments and the like. By the way, what's going to happen as well, Mr. President, is you're going to be competitive as a bar come fall or even the basketball Final Four and whatnot, and you're going to have to have a game. You're going to have to have a game if you want people there partaking in your restaurant or bar because the bar next door is going to have it.

So we just created a whole new college industry. I hope the House uses a little better judgment than we have here today and defeats this bill. We can use our resources far better than we are.

The following bill was read a third time:

Senate Bill No. 466, entitled

A bill to amend 1933 PA 167, entitled "General sales tax act," (MCL 205.51 to 205.78) by adding section 4r. The question being on the passage of the bill,

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

Yeas—36

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

Nays—0

Excused—2

Koivisto Van Regenmorter

Not Voting—0

In The Chair: Schwarz

The Senate agreed to the title of the bill.

Senator Shugars moved that he be named co-sponsor of the following bill:

Senate Bill No. 466

The motion prevailed.

The following bill was read a third time:

Senate Bill No. 467, entitled

A bill to amend 1937 PA 94, entitled "Use tax act," (MCL 205.91 to 205.111) by adding section 4p. 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. 208 Yeas—36

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

Nays-0

Excused—2

Koivisto Van Regenmorter

Not Voting—0

In The Chair: Schwarz

The Senate agreed to the title of the bill.

Senator Shugars moved that he be named co-sponsor of the following bill:

Senate Bill No. 467

The motion prevailed.

The following bill was read a third time:

House Bill No. 4020, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 39 (MCL 211.39).

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. 209 Yeas—36

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

Nays-0

Excused—2

Koivisto Van Regenmorter

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 provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes thereon, and for the collection of taxes levied; making such taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection therewith; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal certain acts and parts of acts in anywise contravening any of the provisions of this act,".

The Senate agreed to the full title.

The following bill was read a third time:

Senate Bill No. 525, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," (MCL 760.1 to 777.69), by adding section 1g to chapter IX.

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. 210 Yeas—30

Bennett **Emmons** Johnson Rogers Bullard Gast Leland Schuette Bvrum Goschka McCotter Shugars Cherry Gougeon McManus Sikkema DeBeaussaert Hammerstrom Miller Steil **DeGrow** North Stille Hart Dingell Hoffman Young Peters Emerson Jaye

Nays—6

Dunaskiss Schwarz Smith, V. Vaughn

Murphy Smith, A.

Excused—2

Koivisto Van Regenmorter

Not Voting—0

In The Chair: Schwarz

The Senate agreed to the title of the bill.

Protests

Senators V. Smith and A. Smith, under their constitutional right of protest (Art. 4, Sec. 18), protested against the passage of Senate Bill No. 525.

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

Mr. President and members, I voted "no" on Senate Bill No. 525 for two specific reasons.

One, we have seen that the universities that have had the riotous conduct conducted on their campuses are all involved in investigations. We have also seen that the law enforcement agencies that are from the surrounding communities are intimately involved, and the prosecutor's office is involved. I think there is adequate sanction for those who are involved in riotous conduct on our university campuses, and I would rather see the universities make determinations and the prosecutor's office make determinations as to when these young people should be allowed to return to campus.

Secondly, I think that the definition of riotous conduct contained in the legislation could also be a net that's wide enough to grab those who might be involved in legitimate objections to university policy. I, myself, remember being involved in some protests in the mid-1960s. With the definitions that are contained in this statute, I think a legitimate protest could very well be interpreted to be riotous conduct, therefore, to be a part of this exclusion. Therefore, I voted "no."

Senators Stille, Goschka, Byrum and Gougeon moved that they be named co-sponsors of the following bill:

Senate Bill No. 525

The motion prevailed.

The following bill was read a third time:

Senate Bill No. 544, entitled

A bill to amend 1933 PA 167, entitled "General sales tax act," by amending section 4g (MCL 205.54g), as amended by 1998 PA 60, and by adding section 4r.

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. 211 Yeas—35

Bennett **Emmons** Leland Schwarz Bullard McCotter Shugars Gast Byrum Goschka McManus Sikkema Cherry Gougeon Miller Smith, A. DeBeaussaert Smith, V. Hammerstrom Murphy DeGrow Hart North Stille Dingell Hoffman Peters Vaughn Dunaskiss Jave Rogers Young Emerson Johnson Schuette

Nays—0

Excused—2

Koivisto Van Regenmorter

Not Voting—1

Steil

In The Chair: Schwarz

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 545, entitled

A bill to amend 1937 PA 94, entitled "Use tax act," by amending section 4k (MCL 205.94k), as amended by 1996 PA 477.

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. 212 Yeas—35

Bennett	Emmons	Leland	Schwarz
Bullard	Gast	McCotter	Shugars
Byrum	Goschka	McManus	Sikkema
Cherry	Gougeon	Miller	Smith, A.
DeBeaussaert	Hammerstrom	Murphy	Smith, V.
DeGrow	Hart	North	Stille
Dingell	Hoffman	Peters	Vaughn
Dunaskiss	Jaye	Rogers	Young
Emerson	Iohnson	Schuette	<u> </u>

Nays—0

Excused—2

Koivisto Van Regenmorter

Not Voting—1

Steil

In The Chair: Schwarz

The Senate agreed to the title of the bill.

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 Young 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 without amendment, the following bill:

House Bill No. 4403, entitled

A bill to amend 1981 PA 7, entitled "An act to prohibit without authorization the bringing into jails and other specified areas any alcoholic liquor, controlled substances, weapons, and certain other items; the selling or furnishing to prisoners, and the improper disposal of any alcoholic liquor, controlled substances, weapons, and certain other items; the possession or control by prisoners of any alcoholic liquor, controlled substances, weapons, and certain other items; to prescribe a penalty; and to repeal certain acts and parts of acts," by amending section 5 (MCL 801.265).

The bill was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill: **Senate Bill No. 528, entitled**

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 17 of chapter XVII (MCL 777.17), as added by 1998 PA 317.

Substitute (S-2).

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

By unanimous consent the Senate returned to the order of

Motions and Communications

Senator Rogers moved that the rules be suspended and that the following bills, now on the order of Third Reading of Bills, be placed on their immediate passage:

Senate Bill No. 528

House Bill No. 4403

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

By unanimous consent the Senate returned to the order of

Third Reading of Bills

The following bill was read a third time:

Senate Bill No. 528, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 17 of chapter XVII (MCL 777.17), as added by 1998 PA 317.

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. 213 Yeas—36

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

Nays-0

Excused—2

Koivisto Van Regenmorter

Not Voting—0

In The Chair: Schwarz

The Senate agreed to the title of the bill.

Senator Jaye moved that he be named co-sponsor of the following bill:

Senate Bill No. 528

The motion prevailed.

The Assistant President pro tempore, Senator Hoffman, assumed the Chair.

The following bill was read a third time:

House Bill No. 4403, entitled

A bill to amend 1981 PA 7, entitled "An act to prohibit without authorization the bringing into jails and other specified areas any alcoholic liquor, controlled substances, weapons, and certain other items; the selling or furnishing to prisoners, and the improper disposal of any alcoholic liquor, controlled substances, weapons, and certain other items; the possession or control by prisoners of any alcoholic liquor, controlled substances, weapons, and certain other items; to prescribe a penalty; and to repeal certain acts and parts of acts," by amending section 5 (MCL 801.265).

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. 214 Yeas—36

Bennett	Emmons	Leland	Schwarz
Bullard	Gast	McCotter	Shugars
Byrum	Goschka	McManus	Sikkema

Cherry Gougeon Miller Smith, A. Hammerstrom DeBeaussaert Murphy Smith, V. DeGrow Hart North Steil Hoffman Stille Dingell Peters Dunaskiss Jaye Rogers Vaughn Johnson Young Emerson Schuette

Nays—0

Excused—2

Koivisto Van Regenmorter

Not Voting—0

In The Chair: Hoffman

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

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

The Senate agreed to the title of the bill.

By unanimous consent the Senate proceeded to the order of

Statements

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

The motion prevailed.

Senator Jaye's statement is as follows:

I wanted to correct some erroneous statements made by the Senator from the 26th District regarding the sports pool betting legislation that the Senate passed, Senate Bill No. 422. The bill absolutely prohibits any athletes or any individual who works for a sports team from engaging in sports betting on their team or any other team. Also, nobody is allowed to wager unless they're over 21. There is no advertising that is allowed at all. There is no third-party profit, bookie or any kind of profit that a business might be able to make. There is really no possibility for a college industry to be able to occur with this. The maximum wager is \$10; the maximum pot is \$1,000.

This bill is very narrowly targeted and followed the pattern of the bowling games at the bowling centers up to a \$1,000 pot. Those mystery games and strike balls and red pins are enjoyed by thousands of senior citizens and thousands of couples on the moonlight doubles—thousands of individuals who are with their friends and co-workers and enjoy a little side bet that's more for the entertainment value and not for big payoffs.

Particularly at a time when people can now go to, I believe it's over 20-some Indian casinos, we have three casinos that are opening up. They can wager their entire salary on lottery bills as well as horse track betting. This innocuous betting gets government off the back of people enjoying a little bit of fun and rivalry, making the games interesting. This bill was supported by the sheriff and prosecutor of Macomb County.

I also want my colleagues to know that right now Rockford Township is under investigation by the State Police and the Attorney General because some of the township employees had a sports betting poll that was going on. These sorts of resources, the Attorney General and the State Police, using their time to investigate sports betting is not an appropriate use. They should be going after violent criminals and big-time gambling.

I appreciate the fact that this legislation was passed.

Senator McManus' statement is as follows:

Today, I would like to enter a statement in the record having to do with, first, complimenting the major Michigan media on their taking up the case of the apple industry's problems with the glut of apple juice coming in from China.

Secondly, I'd like to remind the body that some time ago, several months ago, we passed a resolution and sent it to Washington on this question. So we've got a couple of that-a-boys there. But I need to get the issue in the record.

There's a beautiful article today in the *Detroit News* pointing out that the glut of Chinese apple juice into Michigan and into the United States has resulted not only in low prices, but apples going on the ground here in Michigan. Just to put a few figures in record: In January of 1997, the price of apple juice concentrate in the United States was \$9.25 a gallon, in which case you can afford to pick the apples up off the ground and make juice out of them. In January 1999, just two years later, that price has dropped from \$9.25 to \$4.25. You can't afford to pick the apples up off the ground or handle them in any way for that kind of money.

At the same time, if we go back to 1992, the U.S. was importing half a million gallons not just from China, but all countries. In 1998, just six years later, we imported 49 million gallons of concentrated juice, and that's concentrated juice—you know, you add water—so you can imagine how many millions of gallons of apple juice that you're buying in this country is being produced offshore.

It's kind of interesting—one of the major juice manufacturers in the United States was asked to cooperate with the growers in this anti-dumping action, and their comment was that they preferred to stay neutral because 60 percent of the apple juice that they sell comes from offshore apple juice concentrate—60 percent—and I think you may find that's fairly standard across the industry.

This is a serious, serious problem. We see, for instance, when imports of foreign steel were causing us problems where there was a lot of hoopla to-do about how it was going to cut jobs and so on and so forth. Apple juice never hit the radar screen. Nobody seems to care how many jobs that we're going to lose.

Not only the fact that it's going to lose jobs, but the article also quotes an apple grower in Kent County, which is kind of the heart of the apple industry in this state. He and his brother have been operating a farm over there in their family for generations. He was asked about it. He has 400 acres. He indicates that he is unsure of his future. He says, "We're going to try to keep farming, but I'm not making any predictions. The costs just keep going up and up and up, and the prices keep going down and down and down. Sooner or later,"—and get this—"you're not going to be able to borrow money anymore." He's not even talking about making a profit. He's just talking about whether or not he can borrow enough money against his land to stay on the farm. This is a serious, serious problem.

Apples probably will bring it to the attention of us more than other agricultural commodities, but we're importing Canadian wheat today. We're importing lots and lots of food from many, many countries, and we are becoming an importing nation of food. We used to be an exporting nation of food.

I'd like to enter into the record that I think we're on the right track trying to encourage our federal government to take a look at this dumping—and that's what it is. It's a dumping of apple juice from China. Undoubtedly, they're under a government program over there on a 30-year program to expand their apple production and take over apple markets throughout the world. It's adversely affecting agriculture here in Michigan.

I'd like, Mr. Chairman, to get these remarks in the record and have you all read the article in the paper today and support us on this issue.

Senator Miller's statement is as follows:

I rise to congratulate the good Senator from the Traverse City area.

I come from Macomb County, and we have a number of great orchards in Macomb County. We're known across the state for having the Peach Festival, and we also have some great apple growers. This problem first came to my attention back in January when I happened to talk to one of the biggest apple growers in my county. I asked him the question about how his season was, and he explained to me how he let thousands of bushels of apples just fall off the tree because Mr. President, he couldn't afford to pick these apples because of the problem that Senator McManus said—the Chinese were selling their apples for less than he could grow them and sell them himself.

Mr. President, the reason I rise is because I am really upset with the very outlandish statements that the Chinese government has been making towards our country with the saddened bombing we had this past couple of weeks for China now to demonstrate and threaten American lives at the embassy. This just comes back here to make me a little sad to see that we're losing farmers here in Michigan who are being threatened by this huge dumping of apples.

We sit here today, and most of us aren't concerned about where we buy those apple pies or where we get that apple juice, but I'll tell you, Mr. President, it affects hundreds and hundreds and thousands of jobs not only in this state, but in this country. When you let a country like China, that demonstrates its hatred towards Americans, I think we need to send a message to the federal government not only on the dumping of apples, but on the security and safety of this country. I'm going to have more to say when we move on Senator Rogers' Memorial Day activities. I'm putting together some remarks for this country's behavior.

I'm putting together a letter to send to Mott Apple Juice. I want Mott Apple Juice to know their remarks were really uncalled for, and they were a slap to every farmer who grows apples in this state—"So be it—we'll buy our apples wherever they are, and we don't care about costs; we care about the bottom line. We don't care about Michigan farmers. We don't care about Michigan's economy or the economy of this country." I think we need to let Mott Apple Juice Company know that the feeling of the Michigan Legislature is that we are concerned about the output of apples. Also, send a letter to some of the retailers around this state. If that's the feeling of Mott Apple Juice, then maybe we should let American people and Michigan people know that maybe they shouldn't want to buy Mott apple juice if that's their feelings. They would rather use Chinese apples rather than Michigan apples.

I commend the good Senator from the north country, Senator McManus, but this problem strikes all the farmers. You look at the apple growers in southeast Michigan and in Macomb County—we have some of the best apple growers. I wanted to stand up here on their behalf because this is a problem that's spreading. It's affecting not only the farmers, but it's affecting the quality of life here in Michigan.

I'm going to co-sponsor a letter with the good Senator, and hopefully, we will have the members of this body also sign it to let Mott Apple Juice Company know our feelings and to ask the federal government to step in and put a halt to these sales.

By unanimous consent the Senate returned to the order of

Introduction and Referral of Bills

Senators Sikkema, Johnson, Steil, Schwarz and Bennett introduced

Senate Joint Resolution L. entitled

A joint resolution proposing an amendment to the state constitution of 1963, by amending sections 2, 8, and 9 of article VI, to provide for the appointment of justices of the supreme court and judges of the court of appeals by the governor.

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

House Bill No. 4187, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 5805 (MCL 600.5805), as amended by 1988 PA 115.

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. 4352, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 16*l* of chapter XVII (MCL 777.16*l*), as added by 1998 PA 317.

The House of Representatives has passed the bill.

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

House Bill No. 4354, entitled

A bill to amend 1931 PA 328, entitled "The Michigan penal code," (MCL 750.1 to 750.568) by adding section 217d. The House of Representatives has passed the bill.

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

House Bill No. 4524, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 5805 (MCL 600.5805), as amended by 1988 PA 115.

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.

Committee Reports

The Committee on Local, Urban and State Affairs reported

Senate Bill No. 385, entitled

A bill to prohibit certain state agencies and certain local governmental units from placing certain information on certain documents; to impose certain duties on certain state officials; and to prescribe remedies and penalties.

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

1. Amend page 1, line 5, after "means" by striking out the balance of the line through "following" on line 7. The committee further recommends that the bill be given immediate effect.

Thaddeus G. McCotter Chairperson

To Report Out:

Yeas: Senators McCotter, Shugars, Van Regenmorter, Miller and Murphy

Nays: None

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

The Committee on Local, Urban and State Affairs reported

Senate Bill No. 485, entitled

A bill to amend 1943 PA 202, entitled "Municipal finance act," by amending section 1b of chapter VII (MCL 137.1b), as amended by 1982 PA 469.

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

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

Thaddeus G. McCotter Chairperson

To Report Out:

Yeas: Senators McCotter, Shugars, Van Regenmorter, Miller and Murphy

Nays: None

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

The Committee on Local, Urban and State Affairs reported

Senate Bill No. 509, entitled

A bill to amend 1950 (Ex Sess) PA 23, entitled "Airport zoning act," by amending section 24 (MCL 259.454).

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

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

Thaddeus G. McCotter Chairperson

To Report Out:

Yeas: Senators McCotter, Shugars, Van Regenmorter, Miller and Murphy

Navs: None

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

The Committee on Local, Urban and State Affairs reported

Senate Bill No. 513, entitled

A bill to amend 1980 PA 299, entitled "Occupational code," by amending sections 2601, 2603, 2605, 2607, 2609, 2611, 2613, 2615, 2617, 2619, 2621, 2623, 2625, 2627, 2629, 2633, 2635, and 2637 (MCL 339.2601, 339.2603, 339.2605, 339.2607, 339.2609, 339.2611, 339.2613, 339.2615, 339.2617, 339.2619, 339.2621, 339.2623, 339.2625, 339.2627, 339.2629, 339.2633, 339.2635, and 339.2637), section 2601 as amended by 1994 PA 125 and sections 2603, 2605, 2607, 2609, 2611, 2613, 2615, 2617, 2619, 2621, 2623, 2625, 2627, 2629, 2633, 2635, and 2637 as added by 1990 PA 269, and by adding sections 2614 and 2636.

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.

Thaddeus G. McCotter Chairperson

To Report Out:

Yeas: Senators McCotter, Shugars, Van Regenmorter, Miller and Murphy

Nays: None

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

The Committee on Local, Urban and State Affairs reported

Senate Bill No. 514, entitled

A bill to amend 1979 PA 152, entitled "State license fee act," by amending sections 2, 6, and 38 (MCL 338.2202, 338.2206, and 338.2238), sections 2 and 6 as added by 1988 PA 461 and section 38 as added by 1990 PA 268.

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

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

Thaddeus G. McCotter Chairperson

To Report Out:

Yeas: Senators McCotter, Shugars, Van Regenmorter, Miller and Murphy

Nays: None

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

The Committee on Local, Urban and State Affairs reported

Senate Bill No. 515, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 30510 and 30512 (MCL 324.30510 and 324.30512), as added by 1995 PA 59.

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.

Thaddeus G. McCotter Chairperson

To Report Out:

Yeas: Senators McCotter, Shugars, Van Regenmorter, Miller and Murphy

Navs: None

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

The Committee on Local, Urban and State Affairs reported

Senate Bill No. 516, entitled

A bill to amend 1943 PA 183, entitled "County zoning act," by amending section 20 (MCL 125.220).

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

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

Thaddeus G. McCotter Chairperson

To Report Out:

Yeas: Senators McCotter, Shugars, Van Regenmorter, Miller and Murphy

Nays: None

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

The Committee on Local, Urban and State Affairs reported

Senate Bill No. 517, entitled

A bill to amend 1943 PA 184, entitled "Township zoning act," by amending section 20 (MCL 125.290).

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

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

Thaddeus G. McCotter Chairperson

To Report Out:

Yeas: Senators McCotter, Shugars, Van Regenmorter, Miller and Murphy

Nays: None

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

The Committee on Local, Urban and State Affairs reported

Senate Bill No. 518, entitled

A bill to amend 1921 PA 207, entitled "City and village zoning act," by amending section 5 (MCL 125.585), as amended by 1986 PA 191.

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

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

Thaddeus G. McCotter Chairperson

To Report Out:

Yeas: Senators McCotter, Shugars, Van Regenmorter, Miller and Murphy

Nays: None

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

The Committee on Local, Urban and State Affairs reported

Senate Bill No. 519, entitled

A bill to amend 1980 PA 87, entitled "The uniform condemnation procedures act," by amending section 5 (MCL 213.55), as amended by 1996 PA 474.

With the recommendation that the bill pass.

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

Thaddeus G. McCotter Chairperson

To Report Out:

Yeas: Senators McCotter, Shugars, Van Regenmorter, Miller and Murphy

Nays: None

The bill was referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Local, Urban and State Affairs submits the following:

Meeting held on Wednesday, May 5, 1999, at 3:00 p.m., Room 405, Capitol Building

Present: Senators McCotter (C), Shugars, Van Regenmorter, Miller and Murphy

The Committee on Finance reported

Senate Bill No. 405, entitled

A bill to amend 1975 PA 228, entitled "Single business tax act," (MCL 208.1 to 208.145) by adding section 39d.

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

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

Joanne Emmons Chairperson

To Report Out:

Yeas: Senators Emmons, Bullard, Hammerstrom, Peters and Dingell

Nays: None

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

The Committee on Finance reported

Senate Bill No. 454, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 508 (MCL 206.508), as amended by 1990 PA 283.

With the recommendation that the bill pass.

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

Joanne Emmons Chairperson

To Report Out:

Yeas: Senators Emmons, Bullard, Hammerstrom, Peters and Dingell

Navs: None

The bill was referred to the Committee of the Whole.

The Committee on Finance reported

Senate Bill No. 555, entitled

A bill to amend 1933 PA 167, entitled "General sales tax act," by amending section 4g (MCL 205.54g), as amended by 1998 PA 60.

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

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

Joanne Emmons Chairperson

To Report Out:

Yeas: Senators Emmons, Bullard, Hammerstrom, Peters and Dingell

Navs: None

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

COMMITTEE ATTENDANCE REPORT

The Committee on Finance submits the following:

Meeting held on Tuesday, May 11, 1999, at 1:05 p.m., 8th Floor Conference Room, Farnum Building

Present: Senators Emmons (C), Bullard, Hammerstrom, Peters and Dingell

The Committee on Economic Development, International Trade and Regulatory Affairs reported

Senate Bill No. 573, entitled

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending sections 37c and 37d (MCL 208.37c and 208.37d), as amended by 1996 PA 470.

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

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

Bill Schuette Chairperson

To Report Out:

Yeas: Senators Schuette, McCotter and Jaye

Nays: None

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

The Committee on Economic Development, International Trade and Regulatory Affairs reported

Senate Bill No. 586, entitled

A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," by amending section 531 (MCL 436.1531), as amended by 1998 PA 416.

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

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

Bill Schuette Chairperson

To Report Out:

Yeas: Senators Schuette, McCotter, Jave and Peters

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 Economic Development, International Trade and Regulatory Affairs submits the following: Meeting held on Tuesday, May 11, 1999, at 1:20 p.m., Room 210, Farnum Building

Present: Senators Schuette (C), McCotter, Jaye, Leland and Peters

Scheduled Meetings

Agriculture Preservation Task Force (SR 52) - Friday, May 21, at 9:00 a.m., Lowell Township Hall, 2910 Alden Nash, Lowell Township; Monday, May 24, at 1:00 p.m., Oaklane Golf Course Conference Room, 800 N. Main Street, Webberville; Friday, June 18, at 1:00 p.m., Marlette Middle School Media Center, 6230 Euclid Street, Marlette; and Tuesday, June 29, at 11:00 a.m., Michigan State University Livestock Pavilion, East Lansing (3-1725).

Appropriations Committee - Tuesday, May 18, and Wednesday, May 19, at 2:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building (3-6960).

Capital Outlay Joint Appropriations Subcommittee - Thursday, May 13, at 8:45 a.m., House Appropriations Room, 3rd Floor, Capitol Building (3-6960).

Community Health Appropriations Subcommittee - Tuesday, May 18, at 12:30 p.m., Rooms 402 and 403, Capitol Building (3-1777).

Finance Committee - Thursday, May 13, at 3:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building (3-3760).

Health Policy Committee - Thursday, May 13, at 1:30 p.m. and Tuesday, May 18, at 3:00 p.m., Room 100, Farnum Building (3-0793).

Higher Education Appropriations Subcommittee - Thursday, May 13, at 1:30 p.m. and Tuesday, May 18, at 8:45 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building (3-3447).

Human Resources, Labor, Senior Citizens and Veterans Affairs Committee - Thursday, May 13, at 1:00 p.m., Room 210, Farnum Building (3-2420).

Hunting, Fishing and Forestry Committee - Thursday, May 13, at 2:30 p.m., Room 110, Farnum Building (3-7670).

Transportation and Tourism Committee - Thursday, May 13, at 1:00 p.m., Room 110, Farnum Building (3-1758).

Senator Rogers moved that the Senate adjourn. The motion prevailed, the time being 2:01 p.m.

The Assistant President pro tempore, Senator Hoffman, declared the Senate adjourned until Thursday, May 13, at 10:00 a.m.

CAROL MOREY VIVENTI Secretary of the Senate.