

No. 73
JOURNAL OF THE SENATE

Senate Chamber, Lansing, Thursday, November 30, 2000.

10:00 a.m.

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

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

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

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

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

Senator Thaddeus G. McCotter of the 9th District offered the following invocation:
Lord, help us. Amen.

Senators Jaye and Leland entered the Senate Chamber.

Motions and Communications

The President, Lieutenant Governor Posthumus, assumed the Chair.

Senator Rogers moved that Senators Bullard, DeGrow, Sikkema and Dunaskiss be temporarily excused from today's session.

The motion prevailed.

Senators Dunaskiss, Bullard, Van Regenmorter, Gast and Sikkema entered the Senate Chamber.

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

Senator Rogers moved that rule 3.902 be suspended to allow North Carolina State Senator Kenneth R. Moore admittance to the Senate floor.

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

The Secretary announced that the following House bill was received in the Senate and filed on Wednesday, November 29:

House Bill No. 6147

The Secretary announced that the following House bills were received in the Senate and filed on Thursday, November 30:

House Bill Nos. 6003 6004 6005 6030 6063 6064

The Secretary announced the printing and placement in the members' files on Wednesday, November 29, of:

Senate Bill Nos. 1434 1435

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

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

The motion prevailed, and the President, Lieutenant Governor Posthumus, designated Senator Gougeon 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 bills:

Senate Bill No. 1424, entitled

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending section 38c (MCL 208.38c), as amended by 1997 PA 190.

Senate Bill No. 271, entitled

A bill to amend 1978 PA 566, entitled "An act to encourage the faithful performance of official duties by certain public officers and public employees; to prescribe standards of conduct for certain public officers and public employees; to prohibit the holding of incompatible public offices; and to provide certain judicial remedies," by amending section 3 (MCL 15.183), as amended by 1994 PA 317.

House Bill No. 5509, entitled

A bill to amend 1966 PA 225, entitled "Carnival-amusement safety act of 1966," by amending section 2 (MCL 408.652), as amended by 1998 PA 507, and by adding sections 18, 19, and 20.

House Bill No. 6027, entitled

A bill to amend 1941 PA 207, entitled "Fire prevention code," by amending section 6 (MCL 29.6).

House Bill No. 5402, entitled

A bill to amend 1974 PA 370, entitled "Vietnam veteran era bonus act," by amending section 17 (MCL 35.1037).

House Bill No. 5403, entitled

A bill to amend 1933 PA 94, entitled "The revenue bond act of 1933," by amending section 14 (MCL 141.114).
The bills were 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:

House Bill No. 5958, entitled

A bill to amend 1980 PA 350, entitled "The nonprofit health care corporation reform act," by amending section 402c (MCL 550.1402c), as added by 1999 PA 228.

Substitute (S-1).

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.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

House Bill No. 5959, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 2212b (MCL 500.2212b), as added by 1999 PA 230.

Substitute (S-1).

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.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

House Bill No. 5228, entitled

A bill to amend 1962 PA 174, entitled "Uniform commercial code," by amending sections 1105, 1201, 2103, 2210, 2326, 2502, 2716, 2A103, 2A303, 2A307, 2A309, 4210, 7503, 8103, 8106, 8110, 8301, 8302, 8510, 9102, 9103, 9104, 9105, 9106, 9107, 9108, 9109, 9110, 9201, 9202, 9203, 9204, 9205, 9206, 9207, 9208, 9301, 9302, 9303, 9304, 9305, 9306, 9307, 9308, 9309, 9310, 9311, 9312, 9313, 9314, 9315, 9316, 9317, 9318, 9401, 9402, 9403, 9404, 9405, 9406, 9407, 9408, 9409, 9501, 9502, 9503, 9504, 9505, 9506, and 9507 (MCL 440.1105, 440.1201, 440.2103, 440.2210, 440.2326, 440.2502, 440.2716, 440.2803, 440.2903, 440.2907, 440.2909, 440.4210, 440.7503, 440.8103, 440.8106, 440.8110, 440.8301, 440.8302, 440.8510, 440.9102, 440.9103, 440.9104, 440.9105, 440.9106, 440.9107, 440.9108, 440.9109, 440.9110, 440.9201, 440.9202, 440.9203, 440.9204, 440.9205, 440.9206, 440.9207, 440.9208, 440.9301, 440.9302, 440.9303, 440.9304, 440.9305, 440.9306, 440.9307, 440.9308, 440.9309, 440.9310, 440.9311, 440.9312, 440.9313, 440.9314, 440.9315, 440.9316, 440.9317, 440.9318, 440.9401, 440.9402, 440.9403, 440.9404, 440.9405, 440.9406, 440.9407, 440.9408, 440.9409, 440.9501, 440.9502, 440.9503, 440.9504, 440.9505, 440.9506, and 440.9507), sections 1105, 9203, and 9402 as amended by 1998 PA 489, section 1201 as amended and sections 2A103, 2A303, 2A307, and 2A309 as added by 1992 PA 101, section 2326 as amended by 1982 PA 397, section 4210 as amended by 1993 PA 130, sections 8103, 8106, 8301, 8302, 9301, 9302, 9303, 9306, 9309, and 9312 as amended and sections 8110 and 8510 as added by 1998 PA 278, sections 9103, 9104, 9105, 9106, 9304, and 9305 as amended by 1998 PA 488, section 9307 as amended by 1985 PA 199, section 9313 as amended by 1980 PA 53, section 9401 as amended by 1990 PA 288, sections 9403 and 9404 as amended by 1992 PA 186, sections 9405 and 9407 as amended by 1988 PA 130, and section 9406 as amended by 1989 PA 216, and by adding sections 5118, 9209, 9210, 9319, 9320, 9321, 9322, 9323, 9324, 9325, 9326, 9327, 9328, 9329, 9330, 9331, 9332, 9333, 9334, 9335, 9336, 9337, 9338, 9339, 9340, 9341, 9342, 9508, 9509, 9510, 9511, 9512, 9513, 9514, 9515, 9516, 9517, 9518, 9519, 9520, 9521, 9522, 9523, 9524, 9525, 9526, 9527, 9601, 9602, 9603, 9604, 9605, 9606, 9607, 9608, 9609, 9610, 9611, 9612, 9613, 9614, 9615, 9616, 9617, 9618, 9619, 9620, 9621, 9622, 9623, 9624, 9625, 9626, 9627, 9628, 9701, 9702, 9703, 9704, 9705, 9706, 9707, 9708, and 9709; and to repeal acts and parts of acts.

Substitute (S-1).

The following are the amendments to the substitute recommended by the Committee of the Whole:

1. Amend page 64, line 8, by striking out all of subdivision (OOO) and relettering the remaining subdivisions.

2. Amend page 240, line 6, after “A” by striking out “PUBLIC-FINANCE TRANSACTION OR”.
3. Amend page 240, line 8, after “A” by striking out the balance of the line through “OR” on line 9.
4. Amend page 259, line 18, after “WEEKLY,” by inserting “AT THE PER RECORD RATE UNDER SECTION 9525,”.

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

Senator DeGrow entered the Senate Chamber.

By unanimous consent the Senate returned to the order of
Third Reading of Bills

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

Senate Bill No. 1046, entitled

A bill to amend 1995 PA 24, entitled “Michigan economic growth authority act,” by amending section 3 (MCL 207.803), as amended by 2000 PA 144.

The above bill was read a third time.

The question being on the passage of the bill,

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

Roll Call No. 729

Yeas—34

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

Nays—1

Jaye

Excused—3

Emerson	Smith, V.	Vaughn
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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
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 Gougeon as Chairperson.

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

Senate Bill No. 1116, entitled

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending sections 448, 449, 450, 451, and 462 (MCL 750.448, 750.449, 750.450, 750.451, and 750.462) and by adding section 465a.

Substitute (S-1).

The following are the amendments to the substitute recommended by the Committee of the Whole:

1. Amend page 3, line 17, by striking out "21" and inserting "18".
2. Amend page 4, line 3, after "THAN" by striking out "21" and inserting "18".
3. Amend page 4, line 6, after "THAN" by striking out "21" and inserting "18".
4. Amend page 4, line 9, after "WAS" by striking out "21" and inserting "18".
5. Amend page 4, line 12, after "IS" by striking out the balance of the line through the first "IS" on line 13 and inserting "21 YEARS OF AGE OR OLDER AND".
6. Amend page 4, line 13, after "CUSTOMER" by striking out the balance of the subsection and inserting a period.
7. Amend page 5, following line 18, by inserting:

"(7) SUBSECTIONS (1) AND (4) DO NOT APPLY TO AN ESTABLISHMENT LICENSED TO SELL ALCOHOLIC LIQUOR FOR CONSUMPTION ON THE PREMISES UNDER THE LIQUOR CONTROL CODE OF 1998, 1998 PA 58, MCL 436.1101 TO 436.2303." and renumbering the remaining subsection.

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

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 the order of Third Reading of Bills, be placed on its immediate passage:

Senate Bill No. 1116

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

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

Senate Bill No. 1116

The motion prevailed.

The following bill was read a third time:

Senate Bill No. 1116, entitled

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending sections 448, 449, 450, 451, and 462 (MCL 750.448, 750.449, 750.450, 750.451, and 750.462) and by adding section 465a.

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. 730

Yeas—35

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

Nays—0

Excused—3

Emerson

Smith, V.

Vaughn

Not Voting—0

In The Chair: Schwarz

The Senate agreed to the title of the bill.

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

Senate Bill No. 1116

The motion prevailed.

Senator Schuette moved that his name be removed as sponsor of the following bill:

Senate Bill No. 1116

The motion prevailed.

By unanimous consent the Senate returned to the order of

General Orders

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

The motion prevailed, and the President pro tempore, Senator Schwarz, designated Senator Gougeon 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 bills:

House Bill No. 5404, entitled

A bill to amend 1983 PA 102, entitled “Uniform federal lien registration act,” by amending section 5 (MCL 211.665), as amended by 1991 PA 132.

House Bill No. 5405, entitled

A bill to amend 1968 PA 203, entitled “State tax lien registration act,” by amending section 4 (MCL 211.684), as amended by 1989 PA 47.

House Bill No. 5406, entitled

A bill to amend 1949 PA 300, entitled “Michigan vehicle code,” by amending section 58b (MCL 257.58b).

House Bill No. 5407, entitled

A bill to amend 1978 PA 387, entitled “An act to make appropriations to the department of state; to prescribe the powers and duties of the department of state and the state treasurer; to provide for loans to persons who own certain vehicles for the cost of their alteration or replacement; and to provide an interest rate for repayment of those loans,” by amending section 4 (MCL 257.934).

House Bill No. 5408, entitled

A bill to amend 1939 PA 141, entitled “Grain dealers act,” by amending section 7a (MCL 285.67a), as amended by 1998 PA 388.

House Bill No. 5409, entitled

A bill to amend 1969 PA 295, entitled "Higher education facilities authority act," by amending section 11 (MCL 390.931).

House Bill No. 5410, entitled

A bill to amend 1976 PA 289, entitled "An act to implement, clarify, and confirm the constitutional powers of the bodies corporate controlling those institutions of higher education named in sections 4, 5, and 6 of article 8 of the state constitution of 1963, or established by law as therein provided, regarding the establishment and financing of student loan programs," by amending section 5 (MCL 390.1355).

House Bill No. 5411, entitled

A bill to amend 1984 PA 341, entitled "Farm and utility equipment act," by amending section 9 (MCL 445.1459), as amended by 1995 PA 86.

House Bill No. 5412, entitled

A bill to amend 1972 PA 284, entitled "Business corporation act," by amending section 471 (MCL 450.1471).

House Bill No. 5413, entitled

A bill to amend 1982 PA 162, entitled "Nonprofit corporation act," by amending section 471 (MCL 450.2471).

House Bill No. 5414, entitled

A bill to amend 1996 PA 354, entitled "Savings bank act," by amending section 501 (MCL 487.3501).

House Bill No. 5415, entitled

A bill to amend 1980 PA 307, entitled "Savings and loan act of 1980," by amending section 420 (MCL 491.420).

House Bill No. 5416, entitled

A bill to amend 1950 (Ex Sess) PA 27, entitled "Motor vehicle sales finance act," by amending section 14 (MCL 492.114).

House Bill No. 5417, entitled

A bill to amend 1998 PA 434, entitled "Uniform fraudulent transfer act," by amending section 8 (MCL 566.38).

House Bill No. 4474, entitled

A bill to amend 1977 PA 89, entitled "State aid to public libraries act," by amending section 5 (MCL 397.555).

House Bill No. 4207, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 8123 (MCL 600.8123), as amended by 1990 PA 54.

The bills were 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:

House Bill No. 5758, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 14 of chapter XVII (MCL 777.14), as amended by 2000 PA 279.

Substitute (S-1).

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.

The Committee of the Whole reported back to the Senate, favorably and with amendments, the following bill:

House Bill No. 5821, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 260 (MCL 206.260), as amended by 1996 PA 484.

The following are the amendments recommended by the Committee of the Whole:

1. Amend page 2, line 9, by striking out "OR HISTORICAL MUSEUM".
2. Amend page 2, line 9, after "money," by striking out "A HISTORICAL ARTIFACT,".
3. Amend page 2, line 12, after "institute" by striking out "OR HISTORICAL MUSEUM".
4. Amend page 2, following line 13, by inserting:

"(E) A HISTORICAL MUSEUM, OR A HISTORICAL SOCIETY THAT ACCEPTS CHARITABLE CONTRIBUTIONS OF MONEY OR A HISTORICAL ARTIFACT, IF FOR THE PURPOSE OF BENEFITTING THAT HISTORICAL MUSEUM." and relettering the remaining subdivisions.

5. Amend page 4, following line 23, by inserting:

"(E) "HISTORICAL MUSEUM, MEANS A PERMANENT NONPROFIT INSTITUTION EXEMPT UNDER SECTION 501(c)(3) OF THE INTERNAL REVENUE CODE OPEN TO THE PUBLIC AND ADMINISTERED IN THE PUBLIC INTEREST, WHICH COLLECTS, CONSERVES, PRESERVES, RESEARCHES, AND INTERPRETS FOR PURPOSES OF STUDY, EDUCATION, AND ENJOYMENT MATERIAL EVIDENCE OF HISTORY."

6. Amend page 4, following line 25, by inserting:

"Enacting section 1. This amendatory act takes effect for tax years that begin after December 31, 2000."

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

By unanimous consent the Senate returned to the order of

Messages from the House

House Bill No. 5681, entitled

A bill to amend 1905 PA 282, entitled "An act to provide for the assessment of the property, by whomsoever owned, operated or conducted, of railroad companies, union station and depot companies, telegraph companies, telephone companies, sleeping car companies, express companies, car loaning companies, stock car companies, refrigerator car companies, and fast freight companies, and all other companies owning, leasing, running or operating any freight, stock, refrigerator, or any other cars, not being exclusively the property of any railroad company paying taxes upon its rolling stock under the provisions of this act, over or upon the line or lines of any railroad or railroads in this state, and for the levy of taxes thereon by a state board of assessors, and for the collection of such taxes, and to repeal all acts or parts of acts contravening any of the provisions of this act," (MCL 207.1 to 207.21) by adding section 13a.

The House of Representatives has amended the Senate substitute (S-1) as follows:

1. Amend page 2, line 21, after the first "COMPANIES," by striking out the balance of the line through "PANIES," on line 22.
2. Amend page 3, line 9, after "THE" by striking out "RAILROAD" and inserting "ELIGIBLE".

The House of Representatives has concurred in the Senate substitute (S-1) as amended.

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

House Bill No. 4335, entitled

A bill to amend 1967 PA 150, entitled "Michigan military act," by amending section 411 (MCL 32.811), as amended by 1996 PA 497.

The House of Representatives has nonconcurred in the Senate substitute (S-1) and appointed Reps. Richardville, Ehardt and Schermesser as conferees.

The message was referred to the Secretary for record.

Senate Bill No. 1238, entitled

A bill to amend 1993 PA 23, entitled "Michigan limited liability company act," by amending section 904 (MCL 450.4904), as amended by 1997 PA 123.

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.

Senate Bill No. 1239, entitled

A bill to amend 1980 PA 299, entitled "Occupational code," by amending section 728 (MCL 339.728), as added by 1997 PA 10.

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.

Senate Bill No. 1240, entitled

A bill to amend 1962 PA 192, entitled "Professional service corporation act," by amending section 4 (MCL 450.224), as amended by 1998 PA 10.

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.

By unanimous consent the Senate proceeded to the order of

Statements

Senator Dingell asked and was granted unanimous consent to submit a written statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator Rogers moved that rule 3.506 be suspended to permit Senator Dingell's written statement be printed in today's Journal.

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

Senator Dingell's statement is as follows:

There are a myriad of groups that prepare and recommend model statutes to the 50 Legislatures and the U.S. Congress. The oldest of these is the National Conference of Commissioners on Uniform State Laws, most often referred to as the Uniform Law Commission (ULC). I have the pleasure, and sometimes the burden, of being one of the Senate's delegates to the ULC. For probably a decade, the ULC has been working on updating the most prominent of these model acts, the Uniform Commercial Code (UCC). There is one article of the UCC concerned with definitions and eight substantive articles. We are here concerned with the most important one, the article of the UCC concerned with transactions in secured interests and collateral.

Prior to the Uniform Law Commission's model acts dealing with the matter of security interests, the only way a creditor could have a security interest in personal property was for the creditor to have possession of that personal property. Article 9 provides rules governing transactions involving the granting of credit coupled with a "security interest" in the debtor's property if it is of certain types. The types of property eligible have been just about everything except real estate, rights and proceeds of litigation, most liens, and a few others.

These proposed changes to UCC Article 9 were achieved in a lengthy and terrifically boring process that eventually achieved a consensus of all interested groups.

The operation of Article 9 appears simple. It has enough exceptions to make most commercial law attorneys' hair prematurely gray. It generally relies on the public record as providing notice to the whole world of new creditors as to whether anyone has a prior "security interest" with priority over a new one. There are two key concepts in the creation of a "security interest": "attachment" and "perfection." Generally, the first to "perfect" a security interest has the first priority. Attachment occurs when the creditor and debtor agree that a security interest is effective between the creditor and the debtor. In the case of personal property, attachment usually happens by the creditor and debtor entering into an agreement regarding the collateral and the debt.

Perfection occurs when the creditor establishes his or her priority over other creditors of the debtor in the same collateral, usually by filing. In the case of personal property, what is filed is called a "financing statement," and is usually filed with the Secretary of State.

There are some creditors that do not bother with this process; they are “unsecured creditors,” and every secured creditor has priority over any unsecured creditor.

The proposed revisions to UCC 9 embodied in Rep. Richner’s bill are those proposed in 1998 by the ULC.

The most controversial portion of these revisions here in Michigan has been a greater commitment to a centralized filing system. Prior versions of UCC 9 have had many types of filing take place locally (e.g., agricultural interests with the County Register of Deeds); less of this takes place in the 1998 version. The filing system envisioned by the 1998 revisions is one where the whole financing statement is to be electronically filed, not a photocopy of a cryptic document that refers to other documents not available online.

The most important change for the average voter will be a distinction between security interests where it is part of a consumer transaction, with a heightened attention being given to the objective reasonableness and good faith of the actions of all concerned,

Lawyers will note that there are more types of property that one can get a secured interest in under the 1998 version of UCC Article 9. Certain types of interests will newly be able to be the subject of a security interest. It will be possible to have security interests in some because they will no longer be excluded under the 1998 revision: non-possessory statutory agricultural liens, health insurance receivables, commercial tort claims (but not ones by individuals), liens on property, deposit accounts, and a few other obscure ones. Certain types of interests were treated differently prior to the 1998 revision to UCC Article 9: payment intangibles, promissory notes, consignments, and perhaps some others.

Perfection will still be achieved mostly through filing a financing statement, but there are more situations in the 1998 version where the creditor taking possession or control over the property is the better or the only way to perfect a security interest.

The most important new feature of the 1998 version of UCC Article 9 is a change in where filing of the financing statement must generally occur in order to perfect a security interest: a change from “where the collateral is” to “where the debtor is.”

Every once in a while someone defaults on a credit agreement, and the creditor has a right to take possession of the collateral property. The 1998 version of UCC Article 9 has some new rules dealing with persons whose duty is secondary to the actual debtor, some special rules for the new types of property subject to security interests, new rules for the interests in the same property of secured creditors further down in priority, and new rules to protect consumer debtors subject to enforcement actions.

By unanimous consent the Senate returned to the order of

Introduction and Referral of Bills

House Bill No. 6003, entitled

A bill to amend 1954 PA 116, entitled “Michigan election law,” by amending sections 93 and 133 (MCL 168.93 and 168.133), as amended by 1996 PA 583.

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 Government Operations.

House Bill No. 6004, entitled

A bill to amend 1954 PA 116, entitled “Michigan election law,” by amending section 590b (MCL 168.590b), as amended by 1990 PA 329.

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 Government Operations.

House Bill No. 6005, entitled

A bill to amend 1954 PA 116, entitled “Michigan election law,” by amending section 163 (MCL 168.163), as amended by 1999 PA 218.

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 Government Operations.

House Bill No. 6030, entitled

A bill to amend 1976 PA 451, entitled “The revised school code,” (MCL 380.1 to 380.1852) by adding section 1258.

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

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

House Bill No. 6063, entitled

A bill to amend 1939 PA 280, entitled "The social welfare act," (MCL 400.1 to 400.119b) by adding section 57i. 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 Families, Mental Health and Human Services.

House Bill No. 6064, entitled

A bill to amend 1917 PA 167, entitled "Housing law of Michigan," by amending sections 126 and 132 (MCL 125.526 and 125.532), section 126 as amended by 1997 PA 200.

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 Families, Mental Health and Human Services.

House Bill No. 6147, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 40103 (MCL 324.40103), as amended by 2000 PA 191; and to repeal acts and parts of acts.

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 Hunting, Fishing and Forestry.

Committee Reports

The Committee on Appropriations reported

House Bill No. 5951, entitled

A bill to amend 1980 PA 300, entitled "The public school employees retirement act of 1979," by amending section 5 (MCL 38.1305), as amended by 2000 PA 150.

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

1. Amend page 3, following line 25, by inserting:

"(6) FOR PURPOSES OF SECTION 61(1), "NOT EMPLOYED BY A REPORTING UNIT" INCLUDES A RETIRANT WHO STARTING OCTOBER 20, 1996 WHO RETIRED ON OCTOBER 4, 1988 IF BOTH OF THE FOLLOWING APPLY:

(A) BEGINNING ON OCTOBER 21, 1996, THE RETIRANT WORKED IN A REPORTING UNIT AS AN EMPLOYEE OF AN INDEPENDENT CORPORATION THAT PAID THE RETIRANT.

(B) THE REPORTING UNIT THAT THE RETIRANT WORKED IN CONTRACTED WITH THE INDEPENDENT CORPORATION FOR SERVICES THAT DO NOT EXCEED 5 CONSECUTIVE YEARS OF WORK IN THE SAME REPORTING UNIT, WHICH SERVICES THE RETIRANT IS TO PROVIDE."

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

Harry Gast
Chairperson

To Report Out:

Yeas: Senators Gast, Schwarz, McManus, Johnson, Hoffman, North, Gougeon, Bennett, Goschka, A. Smith, Koivisto, Young, Murphy, DeBeaussiaert and Emerson

Nays: None

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

The Committee on Appropriations reported

House Bill No. 5998, entitled

A bill to amend 1966 PA 331, entitled "Community college act of 1966," by amending sections 54, 57, 61, 62, and 63 (MCL 389.54, 389.57, 389.61, 389.62, and 389.63).

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.

Harry Gast
Chairperson

To Report Out:

Yeas: Senators Gast, Schwarz, McManus, Johnson, Hoffman, North, Gougeon, Bennett, Goschka, A. Smith, Koivisto, Young, Murphy, DeBeaussiaert and Emerson

Nays: Senator Stille

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. 1349, 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 1999 PA 91.

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, Steil, Leland and Peters

Nays: None

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

The Committee on Natural Resources and Environmental Affairs reported

House Bill No. 4388, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 1606 (MCL 324.1606), as added by 1995 PA 60; and to repeal acts and parts of acts.

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.

Ken Sikkema
Chairperson

To Report Out:

Yeas: Senators Sikkema, Dunaskiss, Gast, Peters and Young

Nays: None

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

The Committee on Natural Resources and Environmental Affairs reported

House Bill No. 5839, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 5527 (MCL 324.5527).

With the recommendation that the bill pass.

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

Ken Sikkema
Chairperson

To Report Out:

Yeas: Senators Sikkema, Dunaskiss, Gast, Peters and Young

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Natural Resources and Environmental Affairs reported

House Bill No. 6013, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding part 360.

With the recommendation that the bill pass.

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

Ken Sikkema
Chairperson

To Report Out:

Yeas: Senators Sikkema, Dunaskiss, Gast, Peters and Young

Nays: None

The bill was referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Natural Resources and Environmental Affairs submits the following:

Meeting held on Tuesday, November 28, 2000, at 2:30 p.m., Elijah Myers Room, Capitol Building

Present: Senators Sikkema (C), Dunaskiss, Gast, Peters and Young

The Committee on Transportation and Tourism reported

House Bill No. 4778, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 309, 310e, 312, 312b, 323b, and 811 (MCL 257.309, 257.310e, 257.312, 257.312b, 257.323b, and 257.811), section 309 as amended by 1996 PA 551, section 310e as amended by 1999 PA 40, section 312b as amended by 1996 PA 345, and section 811 as amended by 1996 PA 387.

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 Bullard, Jr.
Chairperson

To Report Out:

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

Nays: None

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

The Committee on Transportation and Tourism reported

House Bill No. 5028, entitled

A bill to designate the part of highway I-75 located in Monroe county as the "Medal of Honor Recipient and American Legion Memorial Highway"; and to prescribe certain duties of the state transportation department.

With the recommendation that the bill pass.

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

Bill Bullard, Jr.
Chairperson

To Report Out:

Yeas: Senators Bullard, Steil, North and Leland

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Transportation and Tourism reported

House Bill No. 5669, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 801 (MCL 257.801), as amended by 2000 PA 82.

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 Bullard, Jr.
Chairperson

To Report Out:

Yeas: Senators Bullard, Steil, North and Leland

Nays: None

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

The Committee on Transportation and Tourism reported

House Bill No. 5940, entitled

A bill to amend 1909 PA 283, entitled "An act to revise, consolidate, and add to the laws relating to the establishment, opening, discontinuing, vacating, closing, altering, improvement, maintenance, and use of the public highways and private roads; the condemnation of property and gravel therefor; the building, repairing and preservation of bridges; maintaining public access to waterways under certain conditions; setting and protecting shade trees, drainage, and cutting weeds and brush within this state; providing for the election or appointment and defining the powers, duties, and compensation of state, county, township, and district highway officials; and to prescribe penalties and provide remedies," by amending section 18 (MCL 224.18), as amended by 1996 PA 218.

With the recommendation that the bill pass.

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

Bill Bullard, Jr.
Chairperson

To Report Out:

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

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Transportation and Tourism reported

House Bill No. 5996, entitled

A bill to name a certain portion of highway M-59 and a certain portion of highway M-36 the “Korean War 50th Anniversary Memorial Highway”; and to prescribe certain duties of the state transportation department.

With the recommendation that the bill pass.

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

Bill Bullard, Jr.
Chairperson

To Report Out:

Yeas: Senators Bullard, Steil, North, Leland

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Transportation and Tourism reported

House Bill No. 6031, entitled

A bill to designate highway M-109 located in Leelanau county as the “D.H. Day Highway”; and to prescribe the duties of the state transportation department.

With the recommendation that the bill pass.

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

Bill Bullard, Jr.
Chairperson

To Report Out:

Yeas: Senators Bullard, North, Leland and Hart

Nays: None

The bill was referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Transportation and Tourism submits the following:

Meeting held on Wednesday, November 29, 2000, at 4:00 p.m., Room 110, Farnum Building

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

Scheduled Meetings

Legislative Retirement Board of Trustees - Wednesday, December 6, 3:00 p.m., Room H65, Capitol Building (373-0575)

Natural Resources and Environmental Affairs - Monday, December 4, 10:00 a.m., 8th Floor Conference Room, Farnum Building (373-0797)

Senator Rogers moved that the Senate adjourn.

The motion prevailed, the time being 11:32 a.m.

The President pro tempore, Senator Schwarz, declared the Senate adjourned until Tuesday, December 5, at 10:00 a.m.

CAROL MOREY VIVENTI
Secretary of the Senate.