

No. 48
STATE OF MICHIGAN
Journal of the Senate
93rd Legislature
REGULAR SESSION OF 2005

Senate Chamber, Lansing, Wednesday, May 25, 2005.

10:00 a.m.

The Senate was called to order by the President, Lieutenant Governor John D. Cherry, Jr.

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

Allen—present
Barcia—present
Basham—present
Bernero—present
Birkholz—present
Bishop—present
Brater—present
Brown—present
Cassis—present
Cherry—present
Clark-Coleman—present
Clarke—present
Cropsey—present

Emerson—present
Garcia—present
George—present
Gilbert—present
Goschka—present
Hammerstrom—present
Hardiman—present
Jacobs—present
Jelinek—present
Johnson—present
Kuipers—present
Leland—present
McManus—present

Olshove—present
Patterson—present
Prusi—present
Sanborn—present
Schauer—present
Scott—present
Sikkema—present
Stamas—present
Switalski—present
Thomas—present
Toy—present
Van Woerkom—present

Pastor David Fredrick of Galilean Baptist Church of Livonia offered the following invocation:

Heavenly Father, I thank You for the privilege to be in this place, and I thank You for each man and each woman who does the work that they do here. I pray that You would bless them with wisdom, bless them with courage, and bless them with knowledge to know what's right, as well as to do it.

May the business that is done today be for the good of the people and for the glory of God. In Jesus' name. Amen.

The President, Lieutenant Governor Cherry, led the members of the Senate in recital of the *Pledge of Allegiance*.

Motions and Communications

Senators Kuipers and Basham entered the Senate Chamber.

Senator Hammerstrom moved that Senators Cassis, Garcia and McManus be temporarily excused from today's session.

The motion prevailed.

Senator Schauer moved that Senators Barcia, Basham, Leland and Thomas be temporarily excused from today's session.

The motion prevailed.

The Secretary announced that the following House bills were received in the Senate and filed on Tuesday, May 24:
House Bill Nos. 4161 4421 4446

The Secretary announced the enrollment printing and presentation to the Governor on Tuesday, May 24, for her approval the following bill:

Enrolled Senate Bill No. 332 at 2:56 p.m.

Messages from the Governor

The following message from the Governor was received:

Date: May 23, 2005

Time: 11:34 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 69 (Public Act No. 28), being

An act 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, intermediate school districts, and other public school entities; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, intermediate school districts, and other public school entities; 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," by amending section 1311g (MCL 380.1311g), as added by 1999 PA 23.

(Filed with the Secretary of State on May 23, 2005, at 3:40 p.m.)

Respectfully,
Jennifer M. Granholm
Governor

The following messages from the Governor were received and read:

May 24, 2005

I respectfully submit to the Senate, pursuant to Section 6 of Article 5 of the Michigan Constitution of 1963, the following appointments and reappointment to state office under Section 3a of the Stille-DeRossett Single State Construction Code Act, 1972 PA 230, MCL 125.1503a:

State Construction Code Commission

Ms. Kelly L. Hunt of 806 Morgan Drive, Belding, Michigan 48809, county of Ionia, succeeding Joyce Rogers, whose term has expired, representing the field of premanufactured building, for a term commencing May 24, 2005 and expiring January 31, 2007.

Mr. Clifton Jack Lewis of 5600 Clear Lake Road, North Branch, Michigan 48461, county of Lapeer, succeeding Frank Mamat, whose term has expired, representing the general public, for a term commencing May 24, 2005 and expiring January 31, 2006.

Mr. Nelson C. McMath of 1685 Miller Road, Ann Arbor, Michigan 48103, county of Washtenaw, succeeding Ronald Krochmalny, whose term has expired, representing organized labor, for a term commencing May 24, 2005 and expiring January 31, 2006.

Mr. Amru Meah of 16862 Huntington, Detroit, Michigan 48219, county of Wayne, succeeding Gary Shripka, whose term has expired, representing municipal building inspectors, for a term commencing May 24, 2005 and expiring January 31, 2007.

Mr. Edwin E. Tatem of 6336 East Norma Lee, West Bloomfield, Michigan 48322, county of Oakland, succeeding Esteban Cabello, whose term has expired, representing the field of professional engineering, for a term commencing May 24, 2005 and expiring January 31, 2007.

Ms. Beth A. Yorke of 13343 Kingston, Huntington Woods, Michigan 48070, county of Oakland, succeeding Steven East, whose term has expired, representing the field of building contracting, for a term commencing May 24, 2005 and expiring January 31, 2007.

Mr. Donald L. Pratt of 10054 Borgman, Huntington Woods, Michigan 48070, county of Oakland, reappointed to represent licensed residential builders, for a term expiring January 31, 2007.

May 24, 2005

I respectfully submit to the Senate, pursuant to Section 6 of Article 5 of the Michigan Constitution of 1963, the following appointment under Sections 21 and 22 of the Tax Tribunal Act, 1973 PA 186, MCL 205.721 and 205.722:

Michigan Tax Tribunal

Mr. Micheal R. Lohmeier of 5990 Middle Lake, Clarkston, Michigan 48346, county of Oakland, succeeding Richard Southern, who has resigned, representing real estate appraisers, for a term commencing June 20, 2005 and expiring June 30, 2006.

Sincerely,
Jennifer M. Granholm
Governor

The appointments were referred to the Committee on Government Operations.

The following message from the Governor was received and read:

May 24, 2005

Due to a typographical error on the May 17, 2005 letter filed with your office pursuant to Section 3 of The Mobile Home Commission Act, 1987 PA 96, MCL 125.2303 and Executive Order 1997-13, MCL 445.2002, please be advised of the following correction:

Manufactured Housing Commission

Ms. Kathy M. **Edwards-Johnson** of 13116 7 Mile Road, Belding, Michigan 48809, county of Kent, succeeding Kamal Shouhayib, whose term has expired, representing operators of a licensed mobile home park having 100 or more sites, for a term commencing May 17, 2005 and expiring May 9, 2007.

Sincerely,
Jennifer M. Granholm
Governor

The message was referred to the Committee on Government Operations.

Senator McManus entered the Senate Chamber.

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

Senator Hammerstrom 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 Cherry, designated Senator Kuipers as Chairperson.

After some time spent therein, the Committee arose; and, the President, Lieutenant Governor Cherry, having resumed the Chair, the Committee reported back to the Senate, favorably and with a substitute therefor, the following bill:

Senate Bill No. 221, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," (MCL 206.1 to 206.532) by adding section 262.

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.

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

Senate Bill No. 222, entitled

A bill to amend 1975 PA 228, entitled "Single business tax act," (MCL 208.1 to 208.145) by adding section 35c.

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:

Senate Bill No. 398, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding section 74126.

Substitute (S-3).

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:

Senate Bill No. 415, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding part 705.

Substitute (S-3).

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:

Senate Bill No. 384, entitled

A bill to designate the third Saturday in June as Juneteenth national freedom day.

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:

Senate Bill No. 252, entitled

A bill to amend 1943 PA 184, entitled "Township zoning act," by amending section 14 (MCL 125.284).

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:
Senate Bill No. 253, entitled

A bill to amend 1943 PA 183, entitled "County zoning act," by amending section 9 (MCL 125.209), as amended by 2000 PA 385.

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:
Senate Bill No. 254, entitled

A bill to amend 1921 PA 207, entitled "City and village zoning act," by amending section 4 (MCL 125.584), as amended by 2000 PA 383.

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:
Senate Bill No. 92, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," (MCL 206.1 to 206.532) by adding section 272.

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.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:
Senate Bill No. 521, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 30 (MCL 206.30), as amended by 2004 PA 394.

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:
Senate Bill No. 525, entitled

A bill to amend 2003 PA 296, entitled "Michigan early stage venture investment act of 2003," by amending sections 5, 15, 17, and 23 (MCL 125.2235, 125.2245, 125.2247, and 125.2253).

Substitute (S-1).

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

1. Amend page 3, line 4, after "act." by striking out the balance of the subdivision.

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.

During the Committee of the Whole, Senators Goschka, Leland, Barcia and Thomas entered the Senate Chamber.

By unanimous consent the Senate returned to the order of

Third Reading of Bills

Senator Hammerstrom 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. 221

Senate Bill No. 222

Senate Bill No. 398

Senate Bill No. 415

Senate Bill No. 92

Senate Bill No. 521

Senate Bill No. 525

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

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

- Senate Bill No. 298**
- House Bill No. 4602**
- House Bill No. 4677**
- Senate Bill No. 168**
- Senate Bill No. 221**
- Senate Bill No. 222**
- Senate Bill No. 398**
- Senate Bill No. 415**
- Senate Bill No. 92**
- Senate Bill No. 521**
- Senate Bill No. 525**

The motion prevailed.

Senator Garcia entered the Senate Chamber.

The following bill was read a third time:

Senate Bill No. 298, entitled

A bill to amend 1972 PA 284, entitled "Business corporation act," by amending section 1062 (MCL 450.2062), as amended by 1997 PA 118.

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. 159

Yeas—26

Allen	Clarke	Hardiman	Sanborn
Barcia	Cropsey	Jelinek	Sikkema
Bernero	Garcia	Johnson	Stamas
Birkholz	George	Kuipers	Thomas
Bishop	Gilbert	McManus	Toy
Brown	Goschka	Patterson	Van Woerkom
Cherry	Hammerstrom		

Nays—11

Basham	Emerson	Olshove	Scott
Brater	Jacobs	Prusi	Switalski
Clark-Coleman	Leland	Schauer	

Excused—1

Cassis

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

Protest

Senator Jacobs, under her constitutional right of protest (Art. 4, Sec. 18), protested against the passage of Senate Bill No. 298 and moved that the statement she made during the discussion of the bill be printed as her reasons for voting “no.”

The motion prevailed.

Senator Jacobs’ statement is as follows:

I rise to oppose Senate Bill No. 298 in its current form. Senate Bill No. 298 seeks to greatly reduce fees for hi-tech start-up companies in an effort to keep them strong in their formative years. Unfortunately, while this bill is well-intentioned, it appears to be a solution in search of a problem.

Under current Michigan law, all businesses incorporated in the state pay a fee each time they issue stock. The fee increase is based on the number of shares that are issued. According to testimony, businesses can sometimes be caught with a bill from the state that they are not anticipating.

The simple solution to the unwanted expense of this fee is to only issue the number of shares that are needed at any given time. Testimony in committee referred to a fictional company that issued 30 million shares in its first year, sold 1 million shares and then held onto the other 29 million and received a \$35,000 bill from the state. If that same fictional company had issued only the 1 million shares it needed in year one, its bill would have been less than \$1,500. Additionally, if the company seeks to grow and issues an IPO of 10 million shares at \$1 a share, it can do so for a capped fee of only \$5,000, a relatively small sum when compared with the financial windfall of the IPO.

I am hopeful, Mr. President, that my colleagues will join me in opposing this bill.

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

The motion prevailed.

Senator Stamas’ statement is as follows:

I wanted to take an opportunity to welcome to this chamber and thank a very special young lady, Lindsay Williams. Lindsay is a senior at Everett High School in Lansing and has interned in my office for this entire school year, her entire senior year. I know most of you know I have the great opportunity of interns for one semester, but Lindsay volunteered to come back and serve a second semester as well. She has just shown a dedication and sincere interest to this process and what we do.

Over the past year, she has really become part of our office team and has been willing to undertake whatever task we would need from her. She is going to be going off next fall—and not going far—to Lansing Community College, working in the dental program. Hopefully, we will have an opportunity to have her back and keep her involved in this process.

I would like to just take a moment to thank Lindsay. We have a tribute here, and I would ask my colleagues to join me in thanking her for her hard work and her dedication.

The following bill was read a third time:

House Bill No. 4602, entitled

A bill to amend 1951 PA 51, entitled “An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for

submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts,” by amending section 10c (MCL 247.660c), as amended by 2002 PA 498.

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. 160

Yeas—36

Allen	Clark-Coleman	Jacobs	Sanborn
Barcia	Cropsey	Jelinek	Schauer
Basham	Emerson	Johnson	Scott
Bernero	Garcia	Kuipers	Sikkema
Birkholz	George	Leland	Stamas
Bishop	Gilbert	McManus	Switalski
Brater	Goschka	Olshove	Thomas
Brown	Hammerstrom	Patterson	Toy
Cherry	Hardiman	Prusi	Van Woerkom

Nays—0

Excused—1

Cassis

Not Voting—1

Clarke

In The Chair: President

Senator Schauer moved that Senator Clarke be temporarily excused from the balance of today’s session. The motion prevailed.

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.

The following bill was read a third time:

House Bill No. 4677, entitled

A bill to amend 2001 PA 142, entitled “Michigan memorial highway act,” (MCL 250.1001 to 250.2080) by adding section 87.

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. 161**Yeas—36**

Allen	Clark-Coleman	Jacobs	Sanborn
Barcia	Cropsey	Jelinek	Schauer
Basham	Emerson	Johnson	Scott
Bernero	Garcia	Kuipers	Sikkema
Birkholz	George	Leland	Stamas
Bishop	Gilbert	McManus	Switalski
Brater	Goschka	Olshove	Thomas
Brown	Hammerstrom	Patterson	Toy
Cherry	Hardiman	Prusi	Van Woerkom

Nays—0**Excused—2**

Cassis

Clarke

Not Voting—0

In The Chair: President

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 consolidate prior acts naming certain Michigan highways; to provide for the naming of certain highways; to prescribe certain duties of the state transportation department; and to repeal acts and parts of acts and certain resolutions.”

The Senate agreed to the full title.

The following bill was read a third time:

Senate Bill No. 168, entitled

A bill to amend 1933 PA 167, entitled “General sales tax act,” by amending section 1 (MCL 205.51), as amended by 2004 PA 173.

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. 162**Yeas—36**

Allen	Clark-Coleman	Jacobs	Sanborn
Barcia	Cropsey	Jelinek	Schauer
Basham	Emerson	Johnson	Scott
Bernero	Garcia	Kuipers	Sikkema
Birkholz	George	Leland	Stamas
Bishop	Gilbert	McManus	Switalski
Brater	Goschka	Olshove	Thomas
Brown	Hammerstrom	Patterson	Toy
Cherry	Hardiman	Prusi	Van Woerkom

Nays—0

Excused—2

Cassis

Clarke

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 221, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," (MCL 206.1 to 206.532) by adding section 262.

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. 163

Yeas—27

Allen
Barcia
Basham
Bernero
Birkholz
Bishop
Brown

Cropsey
Garcia
George
Gilbert
Goschka
Hammerstrom
Hardiman

Jelinek
Johnson
Kuipers
McManus
Patterson
Prusi
Sanborn

Sikkema
Stamas
Switalski
Thomas
Toy
Van Woerkom

Nays—9

Brater
Cherry
Clark-Coleman

Emerson
Jacobs

Leland
Olshove

Schauer
Scott

Excused—2

Cassis

Clarke

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

Senator Cassis entered the Senate Chamber.

The following bill was read a third time:

Senate Bill No. 222, entitled

A bill to amend 1975 PA 228, entitled "Single business tax act," (MCL 208.1 to 208.145) by adding section 35c.

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. 164

Yeas—28

Allen	Cassis	Hardiman	Sanborn
Barcia	Cropsey	Jelinek	Sikkema
Basham	Garcia	Johnson	Stamas
Bernero	George	Kuipers	Switalski
Birkholz	Gilbert	McManus	Thomas
Bishop	Goschka	Patterson	Toy
Brown	Hammerstrom	Prusi	Van Woerkom

Nays—9

Brater	Emerson	Leland	Schauer
Cherry	Jacobs	Olshove	Scott
Clark-Coleman			

Excused—1

Clarke

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

Senator Clarke entered the Senate Chamber.

The following bill was read a third time:

Senate Bill No. 398, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding section 74126.

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. 165

Yeas—38

Allen	Clark-Coleman	Jacobs	Sanborn
Barcia	Clarke	Jelinek	Schauer
Basham	Cropsey	Johnson	Scott
Bernero	Emerson	Kuipers	Sikkema

Birkholz	Garcia	Leland	Stamas
Bishop	George	McManus	Switalski
Brater	Gilbert	Olshove	Thomas
Brown	Goschka	Patterson	Toy
Cassis	Hammerstrom	Prusi	Van Woerkom
Cherry	Hardiman		

Nays—0

Excused—0

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 415, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending section 82148 (MCL 324.82148), as added by 1995 PA 58.

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. 166

Yeas—38

Allen	Clark-Coleman	Jacobs	Sanborn
Barcia	Clarke	Jelinek	Schauer
Basham	Cropsey	Johnson	Scott
Bernero	Emerson	Kuipers	Sikkema
Birkholz	Garcia	Leland	Stamas
Bishop	George	McManus	Switalski
Brater	Gilbert	Olshove	Thomas
Brown	Goschka	Patterson	Toy
Cassis	Hammerstrom	Prusi	Van Woerkom
Cherry	Hardiman		

Nays—0

Excused—0

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

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

The following bill was read a third time:

Senate Bill No. 92, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," (MCL 206.1 to 206.532) by adding section 272.

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. 167

Yeas—33

Allen	Clarke	Jacobs	Sanborn
Barcia	Cropsey	Jelinek	Scott
Bernero	Garcia	Johnson	Sikkema
Birkholz	George	Kuipers	Stamas
Bishop	Gilbert	McManus	Switalski
Brater	Goschka	Olshove	Thomas
Brown	Hammerstrom	Patterson	Toy
Cherry	Hardiman	Prusi	Van Woerkom
Clark-Coleman			

Nays—5

Basham	Emerson	Leland	Schauer
Cassis			

Excused—0

Not Voting—0

In The Chair: Birkholz

The Senate agreed to the title of the bill.

Protest

Senator Schauer, under his constitutional right of protest (Art. 4, Sec. 18), protested against the passage of Senate Bill No. 92 and moved that the statement he made during the discussion of the bill be printed as his reasons for voting "no."

The motion prevailed.

Senator Schauer's statement is as follows:

As the minority vice chair of the Senate Commerce and Labor Committee, I rise to oppose the passage of Senate Bill No. 92 today. As you may have noted, we needed to suspend the rules to take this bill up on final passage today, and I think the speed with which we are moving this bill and the following bill reflects and points to the fact that there are problems that need to be worked out with this legislation. While I support the concept of angel investing, there are a number of concerns that were pointed out in committee by the Treasury Department, not the least of which is a \$10 million General Fund price tag of this legislation.

It was also pointed out that, as the previous speaker mentioned, at the heart of the bill is an income tax credit up to 20 percent of the taxpayer's total investment for a so-called bad investment. So this is someone who invests in an early-stage company. These are high risk investments, loses money, and they still get a 20 percent income tax credit.

Know that is the purpose of the bill, but it was pointed out by the Treasury Department that some individuals may, in fact, be better off by losing money and receiving the state tax credit than by some other investments or returns that they might receive.

So there are some conceptual problems. The price tag, I want to add, I mentioned \$10 million, but if you combine that with the economic impact of the following bill, that's another \$2 million—that is \$12 million. We heard from the revenue estimating conference last week, and we've got real problems that we need to address with our budgets and revenues.

I think we should be holding this bill and working on this concept in conjunction with the Governor's bond proposal. I commend the majority party for their announcement yesterday on wanting to move that issue forward. One other point is the fact that this bill is not ready and the following bill is not ready. As well, Senate Bill No. 525, which we will also be taking up momentarily, is a bill to fix a problem with a venture capital program that was set up. It was sponsored by the same sponsor of this bill. So we are having to fix that program a year or so later, and we are rushing this through which contains several problems.

So I would urge a "no" vote.

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

The motion prevailed.

Senator Bishop's statement is as follows:

I've enjoyed the open dialogue today regarding our Michigan economy and jobs. I want to thank everyone here for their open dialogue on the Michigan economy on ways to incentivize growth and our economy. As we all know, job losses and a declining economy do not discriminate between party affiliation or district number. They affect each and every one of us in this chamber today. We are all uniquely aware that during such difficult fiscal times, ensuring economic development and promoting growth become ever more challenging—yet important matter.

Despite the fact that Michigan possesses some of the nation's finest research institutions, we are suffering from the loss of our most educated and talented workers—the entrepreneurs who, in their own way, pull this economy together and create that entrepreneurial climate and grow businesses in this state. I know it has been difficult, but I am not here to try and paint a bleak picture or sing the blues about the Michigan economy. In fact, I would like to be a part of the solution, and I think all of you would like to be a part of it as well. We have offered legislation to facilitate innovation and foster an entrepreneurial climate within the state.

Entrepreneurs are the engines of innovation that provide the new jobs in the new industries that pull economies through periods of transition. In order to make sure that these entrepreneurs are a part of Michigan's future, we must be as aggressive as they are. All economic activity starts with an idea, but obtaining the investment and capital needed to advance their innovations and ideas and to move them to the marketplace is oftentimes the most difficult task facing entrepreneurs.

A vital source of early-stage investment is available from angel investors. These are high net worth individuals, usually accredited investors, who invest their own money in companies at the early seed stages. Angel investors fill a critical niche by providing an estimated 90 percent of the seed and start-up capital in this country. But angel investors do much more than just provide funding. They provide expertise on the company's product, market, or management team. Many serve as active advisors or mentors for entrepreneurs, provide additional relationships in the form of networking to aid the business' growth, and supply industry and priceless entrepreneurial expertise. In short, angel investors have a vested interest in their investment.

Senate Bill No. 92, as substituted, incentivizes and encourages this type of investment in the promising start-up companies in our state. As a logical result, the small businesses, the professors with the patents, and the software companies looking for homes will take a second look at Michigan, knowing full well that the private, early-stage funding is now available.

Already, other states have enacted legislation providing income tax credits for angel investors. Our neighbor to the south, for example, Ohio alone has tax credits which have been issued to investors who have pumped more than \$45 million into 131 companies since 1996.

In addition to making Michigan competitive with other states for angel investing, this legislation is unique in several aspects. First, the credit is only available when the investor realizes a total loss from the sale or exchange of the investment; thus, it is contingent upon the failure and may never be used. Secondly, Senate Bill No. 92 creates an investment board to authorize all credits to qualified businesses. It is also the responsibility of the board to provide a yearly audit on who received the tax credits, how much money was received, and exactly what type of businesses were invested in.

This brings transparency to the process, tracks program effectiveness, and it enhances the state's ability to improve the program and address emerging sectors in our economy. Today's economy is increasingly becoming characterized by scientific discovery, technological innovation, and the penetration of new and constantly changing markets. Without question, states with healthy and growing economies are those that promote—responsibly promote—strong investment in science and technology and the commercialization of innovations.

It is imperative, therefore, that we recognize that we are in competition with other states, not just other countries, for the time and talents of the entrepreneurs who will create businesses right here at home. We must encourage greater private sector investment in Michigan, and we can do so today by supporting Senate Bill No. 92.

The following bill was read a third time:

Senate Bill No. 521, entitled

A bill to amend 1967 PA 281, entitled “Income tax act of 1967,” by amending section 30 (MCL 206.30), as amended by 2004 PA 394.

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. 168

Yeas—35

Allen	Clark-Coleman	Jacobs	Schauer
Barcia	Clarke	Jelinek	Scott
Basham	Cropsey	Johnson	Sikkema
Bernero	Garcia	Kuipers	Stamas
Birkholz	George	McManus	Switalski
Bishop	Gilbert	Olshove	Thomas
Brater	Goschka	Patterson	Toy
Brown	Hammerstrom	Prusi	Van Woerkom
Cherry	Hardiman	Sanborn	

Nays—3

Cassis	Emerson	Leland
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Excused—0

Not Voting—0

In The Chair: Birkholz

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 525, entitled

A bill to amend 2003 PA 296, entitled “Michigan early stage venture investment act of 2003,” by amending sections 5 and 15 (MCL 125.2235 and 125.2245).

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. 169

Yeas—38

Allen	Clark-Coleman	Jacobs	Sanborn
Barcia	Clarke	Jelinek	Schauer
Basham	Cropsey	Johnson	Scott
Bernero	Emerson	Kuipers	Sikkema
Birkholz	Garcia	Leland	Stamas
Bishop	George	McManus	Switalski
Brater	Gilbert	Olshove	Thomas
Brown	Goschka	Patterson	Toy
Cassis	Hammerstrom	Prusi	Van Woerkom
Cherry	Hardiman		

Nays—0

Excused—0

Not Voting—0

In The Chair: Birkholz

The Senate agreed to the title of the bill.

By unanimous consent the Senate proceeded to the order of
Resolutions

House Concurrent Resolution No. 8.

A concurrent resolution to urge the United States Nuclear Regulatory Commission to extend the operating license of the Palisades Nuclear Power Plant.

The question being on the adoption of the concurrent resolution,
The concurrent resolution was adopted.

House Concurrent Resolution No. 9.

A concurrent resolution to urge the United States Nuclear Regulatory Commission to extend the operating license of the D.C. Cook Nuclear Power Plant.

The question being on the adoption of the concurrent resolution,
The concurrent resolution was adopted.

Introduction and Referral of Bills

Senators Thomas, Hardiman, Van Woerkom and Garcia introduced

Senate Bill No. 534, entitled

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending section 39e (MCL 208.39e), as amended by 2002 PA 622.

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

Senators Jelinek, Allen, Hardiman and Birkholz introduced

Senate Bill No. 535, entitled

A bill to amend 1970 PA 91, entitled "Child custody act of 1970," by amending section 3 (MCL 722.23), as amended by 1993 PA 259.

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

Senators Bishop, Cassis, Hardiman, Birkholz, Garcia and Goschka introduced

Senate Bill No. 536, entitled

A bill to amend 1969 PA 296, entitled "An act to provide for the transfer of jurisdiction over highways; to provide for the final determination of disputes involving transfers of highway jurisdiction; and to supersede certain acts and parts of acts," by amending sections 1 and 5 (MCL 247.851 and 247.855), section 5 as amended by 1980 PA 12, and by adding section 3a.

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

Senators Bishop, Cassis, Allen, Brown, Hardiman, Birkholz, Van Woerkom, Garcia, Goschka and Kuipers introduced **Senate Bill No. 537, entitled**

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 4701 (MCL 600.4701), as amended by 2002 PA 142.

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

Senator Brown introduced

Senate Bill No. 538, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 14501 and 14513 (MCL 324.14501 and 324.14513), section 14501 as amended by 2004 PA 333 and section 14513 as amended by 2004 PA 334.

The bill was read a first and second time by title and referred to the Committee on Agriculture, Forestry and Tourism.

House Bill No. 4161, entitled

A bill to amend 1996 PA 305, entitled "Acknowledgment of parentage act," by amending sections 6 and 7 (MCL 722.1006 and 722.1007).

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 and Human Services.

House Bill No. 4421, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 1204c (MCL 500.1204c), as amended by 2001 PA 228.

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 Senior Citizens and Veterans Affairs.

House Bill No. 4446, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 17015 (MCL 333.17015), as amended by 2002 PA 685.

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 Health Policy.

Senator Schauer stated that had he been present on May 24 when the votes were taken on the passage of the following bills, he would have voted "yea":

House Bill No. 4528

Senate Bill No. 128

Senator Cassis stated that had she been present earlier today when the votes were taken on the passage of the following bills, she would have voted "yea":

Senate Bill No. 298

House Bill No. 4602

House Bill No. 4677

Senate Bill No. 168

Senate Bill No. 221

Statements

Senators Patterson, Scott, Barcia and Brown asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Patterson's statement is as follows:

I want to thank you, all of my colleagues, for your kindness, your very kind remarks, and even the memento which I can't use as a prop today. But despite the fact that many of you have suggested that I don't look old enough to have earned a venerable title, I now can claim that title which is even greater than Senator. I am now officially a grandfather as a result of a bipartisan, bicameral collaboration.

Tannis Shay Patterson came into this world yesterday at 3:46 p.m., 6-pounds-6-ounce baby girl born to my son Justin and my daughter-in-law Jessy. I'm glad to report that everyone is doing well. I am obviously proud and very blessed.

Senator Scott's statement is as follows:

Yesterday was my first official Senate cable show taping. Many of us here in the Senate use this tool as a way to directly communicate with our constituents on topics that are of importance and interest to those we represent. Of course, the topic that I chose to address for my first show was none other than insurance.

For the first segment of the show, I invited Mr. Craig Trombley to join me for a rather informal discussion highlighting the major issues surrounding the high costs of insurance in this state. Mr. Trombley is a public adjuster licensed in both Michigan and Arizona and has nearly 30 years of experience fighting for homeowners and businesses to obtain their fair settlement. He has also hosted and produced a talk radio show called "Insurance Talk Radio With Craig Trombley." Mr. Trombley is very astute on the issue of insurance and has been a committed supporter in my fight to address the problems with our insurance system.

For the second part of the show, I took part in a rather candid interview with the public information officer from the Office of Financial and Insurance Services. As the regulatory agency governing insurance companies and agents in Michigan, I understand the importance of working directly with the office as I continue my crusade to find ways to bring down the rising costs of auto and homeowners insurance. OFIS is committed to the cause, but we must do something now. This is a public policy issue that deserves immediate attention. The citizens of this state are waiting anxiously for some real answers and some real solutions.

Senator Barcia's statement is as follows:

It is with deep sadness that I rise today to inform this body of another son of Michigan lost while fighting for freedom in the war in Iraq. Sergeant Charles Drier, age 27, of Caro, Michigan, the son and brother of my dear friends Mary and Jason Drier, died in an explosion yesterday while serving in the U.S. Army's First Battalion, Ninth Field Artillery Division in Iraq.

As we approach Memorial Day and our charge is to recall all of the lives lost in the pursuit of freedom, we must realize that the sacrifice by this proud and brave citizen will not go unrewarded. He has surely taken his place in heaven, joining the many who have previously fought and died in their attempt to make this world a better place.

My words cannot demonstrate how very sad I feel about this loss and all the lives given for such a noble cause. However, I do want to recall a widely quoted letter which was written by President Abraham Lincoln on November 21, 1864, to a widow who had lost five sons in the Civil War, which speaks more eloquently than I or any of us can about a sacrifice so costly. Mr. Lincoln said, "I feel how weak and fruitless must be any word of mine should attempt to beguile you from the grief of loss so overwhelming. But I cannot refrain from tendering you the consolation that may be found in the thanks of the Republic they died to save. I pray that our Heavenly Father may assuage the anguish of your bereavement, and leave you only the cherished memory of the loved one, the loss, and the solemn pride that must be yours to have laid so costly a sacrifice upon the altar of freedom."

Senator Clarke stated that had he been present on May 24 when the votes were taken on the passage of the following bills, he would have voted "yea":

House Bill No. 4528

Senate Bill No. 128

Senator Brown's statement is as follows:

I would like to reserve time at another time for a special tribute to a fallen soldier, but I do want to take just a minute to acknowledge that because we just got the news today of a soldier from the 16th Senate District from Lenawee County. His parents live there. In fact, he is the step-grandson of the Lenawee county clerk. Army Specialist Joshua T. Brazee, 25, of Sand Creek died Monday in Al-Qaim, Iraq. He was assigned to the 1st Squadron, 3rd Armory Cavalry Regiment based in Fort Carson, Colorado.

His loss is deeply felt, and so I wanted to acknowledge that, and on behalf of his family, we extend condolences. On behalf of all of my Senate colleagues, I'm sure we extend condolences to the family with deepest sympathy.

Committee Reports

The Committee on Judiciary reported

Senate Bill No. 448, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending sections 226, 303d, 410, 810, 859, 871, 1105, 1701, 8322, 8344, 8507, and 8611 (MCL 600.226, 600.303d, 600.410, 600.810, 600.859, 600.871,

600.1105, 600.1701, 600.8322, 600.8344, 600.8507, and 600.8611), section 226 as amended by 1990 PA 185, section 303d as amended by 2004 PA 448, section 410 as added by 2002 PA 678, sections 859, 1105, and 8611 as amended by 1986 PA 308, section 1701 as amended by 1987 PA 99, section 8322 as amended by 1996 PA 388, section 8344 as amended by 1992 PA 192, and section 8507 as amended by 1994 PA 5, and by adding sections 411 and 8808; and to repeal acts and parts of acts.

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

1. Amend page 10, following line 6, by inserting:

“Sec. 8321. (1) Civil process in the district court shall be served by a sheriff, deputy sheriff, or a court officer appointed by the judges of the court for ~~such~~ **THAT** purpose, except that officers of the department of state police **OR CONSERVATION OFFICERS OF THE DEPARTMENT OF NATURAL RESOURCES** may serve civil process in any action to which the state is a party and police officers of an incorporated city or village may serve civil process in any action to which the incorporated city or village is a party.

(2) Under rules of the supreme court, any other person may serve any process or order of the district court ~~which~~ **THAT** does not require the seizure, attachment, or garnishment of property or the arrest of a person. This section ~~shall apply~~ **APPLIES** notwithstanding ~~the provisions of~~ section 1908.”.

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

Alan L. Cropsey
Chairperson

To Report Out:

Yeas: Senators Cropsey, Bishop, Sanborn, Bernero and Brater

Nays: None

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

The Committee on Judiciary reported

House Bill No. 4702, 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 section 3 (MCL 722.673), as amended by 2003 PA 192.

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

1. Amend page 2, following line 22, by inserting:

“Enacting section 1. This amendatory act takes effect December 1, 2005.”.

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

Alan L. Cropsey
Chairperson

To Report Out:

Yeas: Senators Cropsey, Bishop, Sanborn, Bernero and Brater

Nays: None

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

The Committee on Judiciary reported

House Bill No. 4703, entitled

A bill to amend 1931 PA 328, entitled “The Michigan penal code,” (MCL 750.1 to 750.568) by amending the title, as amended by 1991 PA 56, and by adding section 143a.

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

1. Amend page 2, line 10, after “**A**” by inserting “**CIVIL**”.

2. Amend page 2, line 22, after “effective” by striking out “July 1” and inserting “December 1”.

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

Alan L. Cropsey
Chairperson

To Report Out:

Yeas: Senators Cropsey, Bishop, Sanborn and Brater

Nays: None

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

The Committee on Judiciary reported

House Bill No. 4356, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 2919a (MCL 600.2919a).
With the recommendation that the bill pass.

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

Alan L. Cropsey
Chairperson

To Report Out:

Yeas: Senators Cropsey, Bishop, Sanborn, Bernero and Brater

Nays: None

The bill was referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Judiciary submitted the following:

Meeting held on Tuesday, May 24, 2005, at 1:00 p.m., Room 210, Farnum Building

Present: Senators Cropsey (C), Bishop, Sanborn, Bernero and Brater

Excused: Senators Patterson and Schauer

COMMITTEE ATTENDANCE REPORT

The Subcommittee on Commerce, Labor and Economic Development submitted the following:

Meeting held on Tuesday, May 24, 2005, at 1:00 p.m., Room 100, Farnum Building

Present: Senators Garcia (C), George, Hardiman, Prusi and Scott

COMMITTEE ATTENDANCE REPORT

The Subcommittee on Department of Environmental Quality submitted the following:

Meeting held on Tuesday, May 24, 2005, at 1:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building

Present: Senators McManus (C), Goschka and Barcia

COMMITTEE ATTENDANCE REPORT

The Subcommittee on Judiciary and Corrections submitted the following:

Meeting held on Tuesday, May 24, 2005, at 3:00 p.m., Senate Hearing Room, Ground Floor, Boji Tower

Present: Senators Cropsey (C), Brown, Garcia, Switalski and Prusi

Scheduled Meetings

Agriculture, Forestry and Tourism - Thursday, May 26, 8:30 a.m., Room 110, Farnum Building (373-1635)

Appropriations -

Subcommittees -

Capital Outlay - Thursday, May 26, 9:30 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-2523)

Commerce, Labor and Economic Development - Thursday, May 26, 8:30 a.m., Room 100, Farnum Building (373-2420)

Community Colleges - Wednesday, June 1, 11:00 a.m. or later immediately following session, Senate Appropriations Room, 3rd Floor, Capitol Building (373-6960)

Community Health Department - Thursday, June 2, 2:00 p.m., Senate Hearing Room, Ground Floor, Boji Tower (373-7946)

Environmental Quality Department - Tuesday, May 31, 1:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-1725)

Higher Education - Thursday, June 2, 8:30 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-1760)

Judiciary and Corrections - Tuesday, May 31, 3:00 p.m., Senate Hearing Room, Ground Floor, Boji Tower (373-3760)

Natural Resources Department - Wednesdays, June 1 and June 15, 3:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-1725)

Education - Thursday, May 26, 2:00 p.m., Room 210, Farnum Building (373-6920)

Local, Urban and State Affairs - Thursday, May 26, 1:00 p.m., Room 110, Farnum Building (373-1707)

Senior Citizens and Veterans Affairs - Wednesday, June 1, 1:00 p.m., Room 100, Farnum Building (373-1707)

Senator Hammerstrom moved that the Senate adjourn.
The motion prevailed, the time being 11:51 a.m.

The President pro tempore, Senator Birkholz, declared the Senate adjourned until Thursday, May 26, 2005, at 10:00 a.m.

CAROL MOREY VIVENTI
Secretary of the Senate

