

No. 73
STATE OF MICHIGAN
Journal of the Senate
93rd Legislature
REGULAR SESSION OF 2006

Senate Chamber, Lansing, Wednesday, August 9, 2006.

10:00 a.m.

The Senate was called to order by the President pro tempore, Senator Patricia L. Birkholz.

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

Allen—present
Barcia—present
Basham—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
Whitmer—present

Senator Mark Schauer of the 19th District offered the following invocation:

Dear Lord, thank You for this day—this beautiful, sunny, summer day—and for this chance to be together. Thank You for this summer opportunity to be in our communities with our constituents and with our families at a time when campaigns are on our minds. Bless those who run, those who win, and those who lose. Be with them and give all comfort and strength.

Thank You, Lord, for this opportunity to do good, to help our communities, to help our state, and to help our world. In Your name. Amen.

The President pro tempore, Senator Birkholz, led the members of the Senate in recital of the *Pledge of Allegiance*.

Motions and Communications

Recess

Senator Hammerstrom moved that the Senate recess subject to the call of the Chair. The motion prevailed, the time being 10:07 a.m.

10:47 a.m.

The Senate was called to order by the President pro tempore, Senator Birkholz.

During the recess, Senators Basham and Johnson entered the Senate Chamber.

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

Senate Bill No. 246

The motion prevailed.

Senator Hammerstrom moved that the Committee on Technology and Energy be discharged from further consideration of the following bill:

Senate Bill No. 1362, entitled

A bill to amend 1980 PA 119, entitled “Motor carrier fuel tax act,” by amending sections 2 and 4 (MCL 207.212 and 207.214), as amended by 2002 PA 667.

The motion prevailed, a majority of the members serving voting therefor, and the bill was placed on the order of General Orders.

Senator Hammerstrom moved that the rules be suspended and that the following bill, now on the order of General Orders, be placed on the General Orders calendar for consideration today:

Senate Bill No. 1362

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

Senator Hammerstrom moved that the Committee on Appropriations be discharged from further consideration of the following bill:

Senate Bill No. 1335, entitled

A bill to provide for the administration of the Michigan merit award program; to provide for the powers and duties of certain state officers and entities; and to repeal acts and parts of acts.

The motion prevailed, a majority of the members serving voting therefor, and the bill was placed on the order of General Orders.

Senator Hammerstrom moved that the Committee on Finance be discharged from further consideration of the following bill:

Senate Bill No. 453, 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 motion prevailed, a majority of the members serving voting therefor, and the bill was placed on the order of General Orders.

The following communication was received:
Office of the Auditor General

July 28, 2006

Enclosed is a copy of the following audit report:
Performance audit of Ojibway Correctional Facility, Department of Corrections.

Sincerely,
Thomas H. McTavish, C.P.A.
Auditor General

The communication was referred to the Secretary for record.

The following communications were received:
Department of State

Administrative Rules
Notices of Filing

July 5, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Michigan Department of Labor & Economic Growth, State Office of Administrative Hearings and Rules filed at 4:16 p.m. this date, administrative rule (06-07-02) for the Department of Labor and Economic Growth, Director's Office "*Michigan Child Protection Registry*." These rules become effective immediately upon filing with the Secretary of State unless adopted under section 33, 44, or 45a(6) of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

July 5, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Michigan Department of Labor & Economic Growth, State Office of Administrative Hearings and Rules filed at 4:18 p.m. this date, administrative rule (06-07-03) for the Department of Community Health, Bureau of Health Systems-Licensing and Certification Division "*Licensing of Substance use Disorder Programs*." These rules become effective immediately upon filing with the Secretary of State unless adopted under section 33, 44, or 45a(6) of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

July 5, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Michigan Department of Labor & Economic Growth, State Office of Administrative Hearings and Rules filed at 4:20 p.m. this date, administrative rule (06-07-04) for the Department of Community Health, Mental Health and Substance Abuse Administration "*Methadone Treatment and Other Chemotherapy*." These rules become effective immediately upon filing with the Secretary of State unless adopted under section 33, 44, 45a(6), or 48 of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

July 5, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Michigan Department of Labor & Economic Growth, State Office of Administrative Hearings and Rules filed at 4:22 p.m. this date, administrative rule (06-07-05) for the Department of Community Health, Mental Health and Substance Abuse Administration "*Substance Use Disorders Service Programs*." These rules take effect immediately upon filing with the Secretary of State.

July 5, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Michigan Department of Labor & Economic Growth, State Office of Administrative Hearings and Rules filed at 4:24 p.m. this date, administrative rule (06-07-06) for the Department of Community Health, Mental Health and Substance Abuse Administration "*Prevention*." These rules take effect immediately upon filing with the Secretary of State unless adopted under section 33, 34, 45a(6), or 48 of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

July 5, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Michigan Department of Labor & Economic Growth, State Office of Administrative Hearings and Rules filed at 4:26 p.m. this date, administrative rule (06-07-07) for the Department of Community Health, Mental Health and Substance Abuse Administration "*Casefindings.*" These rules take effect immediately upon filing with the Secretary of State unless adopted under section 33, 34, 45a(6), or 48 of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

July 5, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Michigan Department of Labor & Economic Growth, State Office of Administrative Hearings and Rules filed at 4:37 p.m. this date, administrative rule (06-07-13) for the Department of Labor and Economic Growth, Director's Office "*Payment of Wages & Fringe Benefits.*" These rules become effective immediately upon filing with the Secretary of State unless adopted under section 33, 44, or 45a(6) of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

July 6, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Michigan Department of Labor & Economic Growth, State Office of Administrative Hearings and Rules filed at 4:42 p.m. this date, administrative rule (06-07-08) for the Department of Labor and Economic Growth, State Office of Administrative Hearings and Rules "*Administrative Hearings for the Suspension and Revocation of Michigan Teaching Certificates.*" These rules take effect immediately upon filing with the Secretary of State unless adopted under section 33, 34, 45a(6), or 48 of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

July 6, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Michigan Department of Labor & Economic Growth, State Office of Administrative Hearings and Rules filed at 4:44 p.m. this date, administrative rule (06-07-09) for the Department of Education, Superintendent of Public Instruction "*Endorsement of Teachers as Counselors.*" These rules take effect immediately after filing with the Secretary of State unless adopted under section 33, 34, or 45a(6) of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

July 6, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Michigan Department of Labor & Economic Growth, State Office of Administrative Hearings and Rules filed at 4:46 p.m. this date, administrative rule (06-07-10) for the Department of Education, Superintendent of Public Instruction "*School Psychologist Certificate.*" These rules take effect immediately after filing with the Secretary of State unless adopted under section 33, 34, or 45a(6) of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

July 6, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Michigan Department of Labor & Economic Growth, State Office of Administrative Hearings and Rules filed at 4:48 p.m. this date, administrative rule (06-07-11) for the Department of Labor and Economic Growth, Director's Office "*Michigan Boiler Rules.*" These rules take effective 120 days after filing with the Secretary of State.

July 6, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Michigan Department of Labor & Economic Growth, State Office of Administrative Hearings and Rules filed at 4:50 p.m. this date, administrative rule (06-07-12) for the Department of Agriculture, Agriculture Development Division "*Julian-Stille Value-Added Agricultural Development Fund.*" These rules become effective immediately upon filing with the Secretary of State unless adopted under section 33, 44, or 45a(6) of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

July 31, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Michigan Department of Labor & Economic Growth, State Office of Administrative Hearings and Rules filed at 4:37 p.m. this date, administrative rule (06-07-14) for the Department of Labor and Economic Growth, Director's Office "*Part 315. Chromium (VI) in General Industry.*" These rules become effective 7 days after filing with the Secretary of State.

July 31, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Michigan Department of Labor & Economic Growth, State Office of Administrative Hearings and Rules filed at 4:39 p.m. this date, administrative rule (06-07-15) for the Department of Labor and Economic Growth, Director's Office "*Part 604. Chromium (VI) in Construction.*" These rules become effective 7 days after filing with the Secretary of State.

Sincerely,
Terri Lynn Land
Secretary of State
Robin Houston, Office Supervisor
Office of the Great Seal

The communications were referred to the Secretary for record.

The following communication was received and read:
Department of State

July 28, 2006

I, Terri Lynn Land, Secretary of State of the State of Michigan, certify that the attached proposed law appeared on the legislative initiative petition filed with the Secretary of State on May 30, 2006 by Repeal SBT, 124 West Allegan, Suite 800, Lansing, Michigan 48933. I further certify that on July 28, 2006 the Michigan Board of State Canvassers determined that said initiative petition contains "at least the minimum number of valid signatures required under Article 2, Section 9, of the Constitution of the State of Michigan of 1963." I therefore submit to the Michigan State Legislature said legislative proposal for consideration as provided under Article 2, Section 9, of the Constitution of 1963.

Sincerely,
Terry Lynn Land
Secretary of State

INITIATION OF LEGISLATION

An initiation of legislation to repeal 1975 PA 228, entitled "Single business tax act," (MCL 208.1 to 208.145); to provide for the collection of taxes due under current law on business activity in this state through December 31, 2007; and to encourage the legislature to adopt a tax that is less burdensome and less costly to employers, and more conducive to job creation and investment.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1. Purpose

Sec. 1. The purpose of this initiated law is to:

- (a) Repeal the single business tax on business activity in this state after December 31, 2007; and
- (b) Encourage the legislature to adopt a tax that is less burdensome and less costly to employers, more equitable, and more conducive to job creation and investment.

2. Tax at Zero-Rate After Effective Date

Sec. 2. The department of treasury shall prorate the liability for the tax imposed under the single business tax act as necessary to impose the equivalent of a tax at the rate of zero on business activity after December 31, 2007.

3. Affirmation of Existing Tax Liabilities

Sec. 3. Except as specifically provided, this initiated law shall not affect the administration, allocation, or apportionment of the tax; payments to counties; nor any appropriation. The obligation of taxpayers and the state for taxes levied or collected on business activity on or before December 31, 2007 is affirmed.

4. Severability

Sec. 4. This act is declared to be severable.

5. Repeal

Enacting section 1. The single business tax act, 1975 PA 228, MCL 208.1 to 208.145, is repealed effective for tax years that begin after December 31, 2007.

The initiative petition was received in the Senate on July 28, 2006, at 1:09 p.m.

CERTIFICATION OF PETITION TO INITIATE LEGISLATION

We, the undersigned members of the Michigan Board of State Canvassers, hereby certify that the legislative initiative petition filed with the Secretary of State on May 30, 2006 by Repeal SBT, 124 West Allegan, Suite 800, Lansing, Michigan 48933, contains at least the minimum number of valid signatures required under Article 2, Section 9, of the Constitution of the State of Michigan of 1963. The minimum number of valid signatures required is 254, 206.

Kathy DeGrow
Chairperson

James L. Waters
Vice-Chairperson

Ethelyn Bankes
Member

Erane C. Washington-Kendrick
Member

The communication was referred to the Secretary for record.

Senator Hammerstom moved that rule 3.208 be suspended and that the initiative petition be placed on its immediate adoption at the head of Third Reading of Bills calendar.

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

The Secretary announced that the following House bills were received in the Senate and filed on Wednesday, July 26:
House Bill Nos. 5021 5022 5879 5880 5881 5882 5883

The Secretary announced the enrollment printing and presentation to the Governor on Wednesday, August 2, for her approval the following bills:

Enrolled Senate Bill No. 1082 at 3:20 p.m.
Enrolled Senate Bill No. 1083 at 3:22 p.m.
Enrolled Senate Bill No. 1084 at 3:24 p.m.
Enrolled Senate Bill No. 1085 at 3:26 p.m.
Enrolled Senate Bill No. 1086 at 3:28 p.m.
Enrolled Senate Bill No. 1088 at 3:30 p.m.
Enrolled Senate Bill No. 1094 at 3:32 p.m.

The Secretary announced the enrollment printing and presentation to the Governor on Thursday, August 3, for her approval the following bills:

Enrolled Senate Bill No. 403 at 2:02 p.m.
Enrolled Senate Bill No. 443 at 2:04 p.m.
Enrolled Senate Bill No. 673 at 2:06 p.m.
Enrolled Senate Bill No. 784 at 2:08 p.m.
Enrolled Senate Bill No. 1107 at 2:10 p.m.
Enrolled Senate Bill No. 1108 at 2:12 p.m.
Enrolled Senate Bill No. 1182 at 2:14 p.m.
Enrolled Senate Bill No. 1224 at 2:16 p.m.
Enrolled Senate Bill No. 1095 at 2:18 p.m.

The Secretary announced that the following official bills and joint resolution were printed on Thursday, July 27, and are available at the legislative website:

Senate Bill Nos. 1356 1357 1358 1359 1360 1361 1362 1363 1364
House Bill Nos. 6311 6312
House Joint Resolution Z

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

The following initiative petition was announced:

Legislative Initiative Petition

An initiation of legislation to repeal 1975 PA 228, entitled “Single business tax act,” to provide for the collection of taxes due under current law on business activity in this state through December 31, 2007; and to encourage the legislature to adopt a tax that is less burdensome and less costly to employers, and more conducive to job creation and investment.

The question being on the adoption of the initiative petition,

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

Roll Call No. 615

Yeas—22

Allen	Garcia	Jelinek	Sanborn
Birkholz	George	Johnson	Sikkema
Bishop	Gilbert	Kuipers	Stamas
Brown	Goschka	McManus	Toy
Cassis	Hammerstrom	Patterson	Van Woerkom
Cropsey	Hardiman		

Nays—16

Barcia	Clark-Coleman	Leland	Scott
Basham	Clarke	Olshove	Switalski
Brater	Emerson	Prusi	Thomas
Cherry	Jacobs	Schauer	Whitmer

Excused—0

Not Voting—0

In The Chair: Birkholz

The initiative petition was referred to the Secretary for filing with the Secretary of State.

Protests

Senators Schauer, Thomas and Clark-Coleman, under their constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the legislative initiative petition.

Senators Schauer and Thomas moved that the statements they made during the discussion of the initiative petition be printed as their reasons for voting “no.”

The motion prevailed.

Senator Schauer’s statement is as follows:

This vote here today is the wrong prescription for what ails Michigan’s economy. Instead of a responsible, aggressive plan to attract jobs, all we are offering is uncertainty and confusion for businesses that might be willing to grow here or locate here. Don’t just take my word for it, colleagues. My own hometown newspaper, *The Battle Creek Enquirer*, had this to say on March 24: “Doing away with the SBT without a plan in place to deal with the reduced revenue will not make Michigan a more attractive place to live or work. It will leave a cloud hanging over the state’s fiscal fate and few businesses will want to move here or stay here under that cloud for fear of getting soaked in the coming storm.”

I couldn’t have said it better myself. Major employers in my district are saying the same thing. A “no” vote is not a vote in defense of the single business tax. A “no” vote represents the fact that we shouldn’t take this step without a

fiscally responsible plan in place. Democrats offered such a plan months ago, but the majority wasn't interested. They still aren't interested today and that's a shame.

I will be voting "no."

Senator Thomas' statement is as follows:

Madam President and colleagues, this issue continues to perplex me. Really, I ask the question, "Where are we now?" We're absolutely nowhere.

Four years ago, this Legislature eliminated the single business tax at the end of 2009. Since then, over four years we've voted several times to eliminate the single business tax, yet not once in this four-year period have we really attempted to find a suitable replacement.

We have a special joint committee, which I'm privileged to serve on, that doesn't meet. So maybe we're actually not serious about finding a replacement. We cannot end the single business tax, as all of my colleagues previously have spoken, without accounting for its \$1.9 billion in revenue.

As a small business owner with real practical experience, as there are others who have real practical business experience in this chamber know, businesses need many things to thrive and to survive. They need skilled employees, an educated workforce, and protected citizens. Accomplishing this actually does require money. Money does matter.

What happens when a business discovers that there will be no money for education; that there will be no money for police protection; no money for general welfare exists in the state of Michigan. I would suggest to you, again from real-life practical experience, they'll choose to look elsewhere. We cannot allow this to happen. This Legislature has a fiscal and constitutional responsibility to stand up and declare that we really, really must have a plan to preserve this revenue. To not do so would be an absolute betrayal of the electors who have just put trust in us yesterday and will continue to put trust in us in November.

So really what is stopping us? Is the leadership of this chamber afraid that the public prior to an election will actually figure out what our real intent is? There really are only two choices here: either raise taxes or shift taxes onto the private sector, onto individual citizens or to devastatingly cut education, devastatingly cut general welfare, devastatingly cut police protection, and roadwork. Those consequences must be—must be—deliberated before we take such an irresponsible action.

It is time for this Legislature to actually make effective solutions, rather than effective sound bites. I urge a "no" vote on eliminating this tax without actually having a plan. It is shortsighted and not in the best interest of our constituents.

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

The motion prevailed.

Senator Clark-Coleman moved that statements made by Senators Whitmer and Basham be printed as her reasons for voting "no."

The motion prevailed.

Senator Whitmer's statement, in which Senator Clark-Coleman concurred, is as follows:

Here we go again. Once more we're going to vote to get rid of the SBT with no replacement in sight. Albert Einstein once said, "Insanity is doing the same thing over and over again and expecting different results." In fact, the Majority Leader used that very quote in support of doing the Price of Government budget exercise just last year. Unfortunately, the wisdom of that remark has not penetrated because here we go again—another tax cut, more pain, no relief.

Madam President, we just passed the state budget. I don't know of any reasonable person who will claim it was a budget with \$500 million worth of waste, much less \$2 billion, which is what some people hope this tax cut amounts to. I invite any legislator to go on record with his or her constituents and say, "Yes, we could have cut another \$500 million from the General Fund." Tell me where. Yet, that's exactly what the backers of this proposal want, a \$500 million tax cut. Some even want the whole \$2 billion, which is one-quarter of the state's General Fund.

Let's look at the budget we just passed. We spent \$78 million to keep a thousand state troopers on the road. We've spent about \$100 million for aid for 84,000 college students; \$435 million for nursing home care for 30,000 of Michigan's elderly residents. We'll lose some federal matching funds if we cut that spending.

To put it another way, the same \$500 million that Mr. Patterson wants to cut would fund the General Fund operations of the State Police, the judiciary, the Education Department, the Agriculture Department, the Attorney General's office, and more combined.

So, if we're going to cut \$500 million, or \$2 billion for that matter, we aren't cutting to the bone; we're cutting through the bone. That's not a wise long-term strategy. Smart business people know that we need to spend money to protect our streets, educate our students, and care for our elderly. That's why they locate here. Smart people like Bill Gates have said the No. 1 consideration when determining where to locate a business is not the taxes; it's having a qualified workforce and quality of life.

But we are going to strip all of that away and toss it to the wind and hope it lands right-side up. We're going to end the SBT without any replacement and wait another year and a half for that decision. It's irresponsible at best and a total abandonment of your fiduciary duty to the thousands of people you each represent.

I cannot in good conscience join you in this exercise, but I am willing and ready to join in a serious discussion and take action now to move Michigan forward.

Senator Basham's statement, in which Senator Clark-Coleman concurred, is as follows:

Everything has been said here today but not by everybody, so let me just take a stab at it, if I may. If it sounds like an election-year gimmick and it smells like an election-year gimmick, then it's probably an election-year gimmick, and that's exactly what we're debating here today. Make no mistake about it.

While my colleagues on the other side of the aisle have not contained their enthusiasm for abolishing the SBT, they are much more subdued about paying for a 20 percent cut in the General Fund budget. Health care, education, transportation, the State Police, veterans, agriculture, community colleges—virtually no area of state government would be immune to devastating cuts. Yet these colleagues are willing to slash all these services for the sake of appeasing special interests and making a political point for this year's campaign. Well, a more favorable tax climate will cease to be a draw when health care, schools, public safety, and transportation are all gutted and reduced to bare bones levels.

A recent *Lansing State Journal* editorial said, "Passing a tax cut without replacement of revenue is not public policy. It's public cowardice." I agree and urge my colleagues across the aisle to come out from under their desks before the election and stand up to the challenge of finding a replacement for the \$2 billion loss that this state will suffer.

Senators Switalski, Prusi, Brater, Cropsey, McManus, Scott, Allen, Toy, Cherry, Cassis, Garcia, Emerson and Sikkema asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Switalski's statement is as follows:

As the senior chamber in the Legislature, we Senators have a special duty to act responsibly. We must today confront a truism in politics. It's very easy to eliminate a tax, but it is infinitely harder to create one. So it is disingenuous to vote today to eliminate the single business tax, cut \$2 billion from the budget, and then say, "Trust me. We'll come up with something later."

When I first came to the Legislature eight years ago, we were holding hearings about changing the SBT. You may remember those days when we had the SBT and the economy was booming. You may recall that we had full Republican control then too. We had a very powerful Republican Governor in John Engler and Republican majorities in the House and the Senate. Somehow they did not think it was wise to eliminate the SBT. In the intervening years—in the eight years since—we have worked on a replacement, but we have never agreed on any substitute.

So proponents of repeal sometimes suggest that we didn't have to replace the revenue. So are we prepared to cut 29 percent across the board from the four largest General Fund departments—higher ed, Community Health, Corrections, and Human Services? Or we could abolish GF appropriations to 17 state departments, plus community colleges, capital outlay, school aid, and Treasury Department service and revenue sharing. But even if we did that, we would still be \$285 million short.

This repeal has been called irresponsible, a gimmick, election-year sloganizing, a gotcha, and a drunken sailor approach. It has been described as a shell game, a punt, and a ploy, a combination of voodoo economics and political malice. It has been called reckless, wrong, and unfair, and that's by its supporters. If the intent is not to cut the budget, then let's see what the proposals are to replace the revenue.

Right now 50 percent of businesses do not pay any SBT. Do the proponents of this repeal believe that these small businesses should have to pay? Or should individuals have to pay more? Are the proponents of elimination suggesting that we raise the sales tax? I guess we'll find out after the election. Isn't that cynical? The giveaway occurs before the election and the bill comes due afterward.

I will not be part of such fiscally irresponsible brinkmanship. I will vote "no" on this bill.

Senator Prusi's statement is as follows:

Speaking of remarks printed in the Journal, I very seldom ask to have my remarks printed in the Journal because they are imminently forgettable in most instances.

Several months ago when we dealt with this issue in a piece of legislation, I got up at this microphone and asked the body some questions that at that point I don't think I ever received adequate answers or clear responses. Those questions still remain before us and I'd like to pose some of those questions one more time and see if anybody will give us an answer.

One of the questions I asked was are we going to replace all or a portion of the revenue lost when this tax is eliminated? If it's only going to be a portion, how big a portion will it be? Will it be half, two-thirds, three-fourths, or 10 percent? I received no answer then. I don't think I've gotten an answer to this point on that question.

The second major question that I asked at that time was without this replacement revenue—and the previous speaker was fairly eloquent in outlining what are we going to do with that loss of money—what programs, what state spending will we eliminate? Whether it's \$500 million, \$300 million, or the entire \$2 billion, would you cut veterans services? We spend \$22 billion on our state veterans' homes in Grand Rapids and in Marquette that serve 900 aging, ailing veterans in this state. Is that going to be on the chopping block that the veterans in those veterans homes will go without care? Are we going to close some more State Police posts or reduce the amount of troopers? We just funded a small trooper replacement, recruit school. Are we going to forego replacement troopers as our current state trooper force dwindles due to retirements? Higher education, are we going to watch our kids' tuition increase way beyond what we've seen in the last few years? We've finally managed to restore some money to the higher education budget. Without this \$500 million, \$200 million, or whatever you intend to not replace, that's going to have an impact on that tremendous addition to our economic development strategy here in Michigan and that's the education of our young workforce in the new technologies. Health care and human services, that General Fund money draws down federal dollars that fund the care of our elderly, our aging, and our disabled young who become adults.

We do a lot of work in the Appropriations Committee, and just a few weeks ago, we passed a budget. I have to tell you, in the four years we've been working on the budget here in the Senate, that was the most cooperative, least contentious budget that we've ever passed out of this chamber. Next year's budget, without this revenue, you can look forward to a lot more disharmony, a lot more fighting, and a lot more difficult decisions to be made.

This vote threatens our ability to do all of those things that I think the voters in this state have come to regard as high priority items here. We are making a very serious mistake here by not allowing the debate to go statewide. I commend the petition drive. They went out and got the signatures, but why are we doing it here when it's a citizen-initiated petition? Let the debate go forward across the state. Let us have the discussions on what these priorities are. Let us have the people of the state of Michigan cast their ballots on this all-important issue in November. Let's have a discussion on the full range of this issue rather than eliminating it now and letting next year's Legislature fix it.

There are some serious questions that remain here, Senate colleagues. I believe by voting to eliminate this tax here today, we are going to leave those questions unanswered and merely do a political exercise here rather than something that makes policy-sense for the people of the state of Michigan. I encourage you to vote "no" on this. Let's let the debate continue and let the people of the state of Michigan have their speech.

Senator Brater's statement is as follows:

I am standing here before you to strongly urge a "no" vote on this proposal. Our economy in the state of Michigan is at a very fragile state right now. We should be working together with positive, constructive ways to attract jobs and businesses to Michigan, not to unsettle this very fragile balance just for election-year politics. It's very reckless and very irresponsible to vote to eliminate \$2 billion in revenues, almost 20 percent of our General Fund budget, without a plan to replace it.

What are the things that our General Fund pays for? They pay for mental health services. It used to pay a subsidy to the School Aid Fund so that we could have smaller classrooms and better preparation for our teachers and other important things that we say we want for our schoolchildren in the state of Michigan. It used to subsidize a higher percentage of the higher education budget so that students going to college in this state don't have to pay such a large percent of their family income in order to get a college education, which we all acknowledge we have to increase the number of students going to college in this state in order to improve our economy.

Survey after survey shows that businesses are not looking at tax rates; that's like No. 4 or 5 in most surveys when they are evaluating where they locate. They are looking at what kind of infrastructure can a state provide, what kind of education system can the state provide, and what kind of quality of life is there in that state. The fact that we have all of those things in the Washtenaw County area is why Google is bringing 1,000 jobs to our community. If we want to spread that kind of success statewide, we have to allow the state to fund these types of programs that are going to attract quality, high-paying jobs to our state.

If we repeal the single business tax without a replacement, we could be forced to gut entire budgets of programs or raise taxes on individuals or small business. The majority party in the Senate and House should have done the hard work of developing a responsible plan that will grow jobs instead of taking this cheap, political shot. I strongly urge a "no" vote on this proposal.

Senator Cropsey's statement is as follows:

I find this argument and the arguments being used to be quite curious. The SBT is already going to be repealed December 31 of 2009, and I would dare say the vast majority of legislators here voted for that. And guess what? When you voted to repeal it December 31 of 2009, did you have a replacement in place for it? No, you didn't have a replacement in place for it.

What this initiative is, is a signal that the business community is in deep-seated trouble. We are in a noncompetitive situation and we're getting our jobs taken to the cleaners. Let me tell you why we need to repeal this tax and we need

to repeal it now. In my district, I've lost Electrolux—3,000 jobs. I've lost the Federal Mogul plant—another 400 to 500 jobs. We've lost Michigan Wire. We've lost Hitachi, which three or four years ago was employing 500 people. We've lost a plant, the Lear Corporation. I have lost in my district alone in the last three years 4,000 to 5,000 jobs and here we have the Governor touting she's got 1,000 jobs coming down to one county in this state and what a great thing that is. Well, it is a great thing, but let me tell you, it's a horrible thing that there have been 4,000 jobs leaving my district alone and the Governor touts 1,000 jobs coming into the state. This is insanity.

Let me tell you what the Governor is doing to try and get jobs to come in here into the state. She uses the MEDC. And what are the incentives that the MEDC has? One of the huge incentives that the MEDC has is that we can give you tax abatements. We can cut taxes. We can do it on a business-by-business basis to cut taxes. And, lo and behold, businesses that are already here are taking a look at it and saying our taxes are too high and we're going to go someplace else that has a much more favorable business climate.

The SBT has got to go. We keep losing business and jobs because the problem is that taxes are too high. The problem is that the SBT taxes wages, it taxes health care benefits, and it taxes businesses that are losing money. My district can't afford to wait more years while scores of businesses flee Michigan's tax climate.

One reason why we need to repeal this and we need to repeal it now is that we have several people here who were here when Proposal A passed, and Proposal A passed without a replacement. And, by the way, Proposal A passed upon the insistence of a person who is now one of our United States Senators without a replacement. Some of the people who worked on that, besides myself, were the Senators from the 28th District, the 13th District, the 27th District, and the 5th District. After this next election, most of those people will be gone. We need to take advantage of those people's experience who were here working on December 24 of 1993. Obviously, they came up with a solution. We did come up with a solution that time, and they also realized what needed to be in place to help protect the public. We need to make sure we get a replacement in place if we're going to do one that is there before these people leave. We already have an experienced team in place to work on any replacement that may be done, led by the Senator from the 15th District, and also the State Treasurer who's been with the State Treasury for over 30 years with experience in business tax. By the way, the State Treasurer was working on the SBT and business tax before the Governor was even a Michigan resident.

We will never have a stronger team in place than we have now. We'll never have more experience than we have now. Why would you want to wait for three more years? We'll probably never have a better working relationship with this Governor than we have now. The SBT is unique in the entire country. It is punitive, it is anti-tax, it is anti-jobs, and it is anti-worker. It needs to go and it needs to go today.

Senator McManus' statement is as follows:

I rise to speak in favor of the initiative before us today.

I represent a very large geographic district, and I have many manufacturers in my Senate district. I have personally spoken with manufacturers from Cadillac. They represent thousands of manufacturing families who work in those factories and those places of business. Now for those of you who don't know about Cadillac, Cadillac is the largest manufacturing area north of Grand Rapids. Cadillac has companies that employ working families—working families who work at Four Winns. Four Winns makes fiberglass boats. RexAir makes vacuum cleaners. We all have vacuum cleaners. Cadillac Casting is a foundry that produces automotive and truck parts. BorgWarner designs and manufactures various temperature controls for commercial, agricultural, and military vehicles. These are not small employers. These employers represent about 300 to 800 people at their businesses.

In addition, these are not small, isolated businesses either just in small Cadillac, Michigan. They have nationally- and internationally-based sister companies and competitors. When I have spoken with the leaders of these industries about comparing their Michigan facilities to those from their other states, the first thing that they mention is that Michigan has a very unique and burdensome tax structure. We know what we call that; it's called the SBT. It puts them at an immediate disadvantage for staying open in Michigan or expanding in other states due first obviously to the SBT tax, but second, to our very unique geography for getting goods in and out of Michigan. Now I know we can't change our geography here today, but we can certainly change our tax structure.

I stand before you to ask that my colleagues support in this effort to make an enormous impact here in the state of Michigan and eliminate the SBT.

Senator Scott's statement is as follows:

Once again, my colleagues on the other side of the aisle continue to choose corporations over kids and special interests over social safety nets, as they predictably put businesses ahead of the real needs of the people of this state. It's not surprising. Health care. Education. Public safety. Senior services. Affordable insurance. Better roads. Preservation of our natural resources. All are expendable when it comes to preserving and protecting their political interests.

What these colleagues don't appear to realize is that those same services are not expendable—not for our Michigan residents and not for businesses that are considering relocating. While the majority may be willing to sacrifice these quality-of-life issues for corporate dollars, even most businesses are not willing to make the same sacrifice.

What business owner would be willing to sacrifice quality education, affordable housing, accessible health care, good roads, first-class public universities and community colleges, and cultural and recreational opportunities for employees and their families, all for a lower corporate tax rate?

That's not to say a favorable tax climate isn't a factor. But it is certainly not the only factor. And it will certainly not be the only factor when Michigan residents begin to feel the additional fallout from the Republican decision in the form of increased taxes and fees and decreased services. And, while it's being sold as an incentive for Michigan businesses, their families, too, will eventually suffer as well.

That makes it lose/lose for everyone, folks—children, seniors, workers. Everyone will pay for this mistake.

Senator Allen's statement is as follows:

I rise in support of the elimination of the SBT. As we know, our state is up against competition from the world, competition from other states, and competition from other regions. The SBT and the complicated calculation formula has been a major hindrance in its ability to attract jobs.

Take a look at what we are competing against. States that you can go on the website, click on the county you're going to be locating in, calculate the volume of business you're going to be doing, and very simply, figure out what your taxes are going to be. Our MEDC, our organizations that are trying to attract jobs, literally have to take certified public accountants along to explain the SBT.

As a small business person and one of the members of the caucus of individuals that has actually paid the SBT, the complicated formula, the inconsistencies on whether your business is making a profit or not, and the number of employees has been a hindrance for small businesses throughout the state.

I rise in support of this legislation and know that, as the time moves forward, we'll come up with a simpler, easier method of calculating business taxes on the citizens and businesses of this state.

Senator Toy's statement is as follows:

It's time to say bye-bye to the SBT. What message are we sending? We are trying to attract even knowledge-based businesses to our great state and we have this onerous tax.

As I look at my small business, and I've owned a small business for the last 28 years in this great state, I'm looking at rising costs and I'm looking at paying taxes on payroll. I'm looking at Medicaid. I'm looking at federal withholding taxes. I'm looking at Social Security. I'm looking at state payroll taxes. I'm looking at sales and use taxes. I'm looking at workman's comp. I'm looking at personal property taxes. I'm looking at higher insurance. I'm looking at higher prices on goods sold. I'm looking at 941 unemployment taxes. That's what I pay as a small business in this state.

It's time, ladies and gentlemen, to take a bold move today. It's time to put our money where our mouths have been for some long time in this state; to finally reach out and say, "We need jobs, jobs, jobs in this state." And we're not going to get those jobs if we keep sending out the wrong message on all these taxes that we charge these small business men and women.

Yes, my district is asking for a lot of this. My district has repo houses practically every three blocks in some of my areas that can't even be sold in this environment. But yet we screen jobs. But yet we penalize employers. It's time, ladies and gentlemen, that we take the bold move; that we have confidence in ourselves that we will find helpful solutions and this will actually help attract businesses to this great state and make it even greater.

It's time to say bye-bye.

Senator Cherry's statement is as follows:

Cutting this tax without a replacement plan was a bad idea in March and it's a bad idea today. Many said in March, including the *Flint Journal*, that if lawmakers vote to eliminate the state's main business tax without simultaneously replacing the lost revenue, they are taking action which is akin to a child failing to do his or her chores.

We owe it to our constituents, to our kids, and to the businesses that we're leaving in the lurch to come up with a better plan than this. The action is not worth the job uncertainty, the massive cuts in critical programs, and the increase on individuals' taxes that it will cost us.

I call on my colleagues to take the time now to solve this issue now. One of my colleagues just said that we need the expertise of those who are in the Legislature who are currently serving to work on this problem now and I agree.

Let's come up with the replacement now and then vote to eliminate the SBT with a solid replacement. Without that action, Madam President, I'm forced to vote "no." I can't support irresponsibility.

Senator Cassis' statement is as follows:

A Wednesday in early August—what is it that brings the Michigan Senate into session? Colleagues, we've gathered in one of those rare moments in time where legislative history is going to be affected. Not since Proposal A have we been called to respond to such a compelling challenge.

Have you seen the television program "What Not to Wear?" It shows a person, stuck with going about daily life wearing an outdated wardrobe, down emotionally and physically. Someone who cares recommends her to two fashion-savvy people who proceed to dump all her outdated clothes in the garbage can.

Today, we throw away outdated and disfiguring tax garments that straightjacket our economy. The people of this state, through petition, through referendum, called upon us to retire this unattractive tax. They've told us our state deserves better—our families, our young people deserve better. Michigan is their home. Michigan is our home. Let us not shun those individuals and push them into the arms of more economically progressive states.

In the "What Not to Wear" program, the makeover not only provides a complimentary wardrobe, but an entirely new outlook, a new mindset of confidence to face the future with optimism and purpose.

Some in the administration and colleagues on the other side of the aisle will throw the alarm, try to scare us, that if we get rid of this burdensome, uncompetitive tax, we will lose our bond ratings. Colleagues, let us pledge together in one nonpartisan spirit so that when we finish this long overdue task, Wall Street will be salivating, saluting us with salvos, welcoming a refined, well-heeled, Thoroughly Modern Millie—I mean thoroughly-modern tax code.

The time is now. Be brave, be bold. While Republicans are upbeat, determined, Governor Granholm opined that a vote to repeal the SBT—the single business tax—would be "an act of extreme cowardice." Where has she been?

Our esteemed cosmetic, fashion-conscious Governor is back in the '70s along with her treasurer, an SBT architect and admirer. Thirty years ago, the new economic grey flannel suit was the SBT. Today, the suit no longer fits. Some say just readjust its size, lengthen its sleeves, shift its lapels. I say we are embarking on an extreme makeover, not tweaks.

Our sluggish economy cries out for a new fit, reflecting the changes that have occurred over the last 30 years. As chair of the Senate Finance Committee, I'm not talking about stylistic tax gimmicks, shifts or shafts, countless small and large employers. Our very job providers welcome County Executive Brooks Patterson's initiative.

Let us move on and finish the task he started now and devise a lasting garment, reflecting changing economic times. Its designers, we—the legislators—will draw a pattern, a new best practice Michigan, pro-job, pro-growth, and pro-business tax.

Make no mistake, we are engaged—six of us—House and Senate, bipartisan, both sides of the aisle, in a select committee determined to craft a business tax code placing Michigan at the head of its class—strong, competitive, with low compliance, fair, and broadly based with a low rate. But we need all members to attend and to be onboard.

I happen to trust the elected representatives of the people to get the job done. Don't you?

Senator Garcia's statement is as follows:

As I look around the chamber, it's pretty evident that most of us, if not all of us, have already made up our minds on what we are going to do here this morning, so most of the pontificating is primarily for the record and not really to change minds.

What also bothers me about this discussion is that there is a lot of the sky-is-falling arguments. We are going to eliminate prisons, we're going to eliminate over a dozen departments wholesale, or we are going to gut public education. Those are extreme arguments and not really realistic. What also bothers me about this discussion is that we are questioning one another's motives. It's an election year; we're doing it for politics. Well, none of us can really read each other's minds, and we shouldn't impugn each other's motives.

So here's why I intent to vote to repeal the single business tax. I'm voting to repeal the single business tax because business owner's, those who are providing the jobs for our economy, are asking me to do so. They are struggling to survive this one-state recession. Whether or not it is a huge impediment to business that we believe it is, is beside the point. They believe it is, so it has to go because it is hurting our state.

Now I personally would have preferred to phase it out over two to three years. The reason for that is that we would have then weaned ourselves off of that money. We would have learned to live without it, and we would not have had to replace it, but here we are. We are going to need to do it. We're going to need to replace it. So now we have to get serious about finding a replacement. It is our responsibility to do so and we will do it. We won't do it with the income tax or the sales tax because this chamber, at least this half of it anyway, passed House Bill No. 5743, which would have kept us from doing this. Unfortunately, the Governor vetoed it.

But now it is time to get this monkey off of our backs, repeal the single business tax, and then do our jobs and find a replacement for it.

Senator Emerson's statement is as follows:

This bill is about responsibility and whether or not we want to take responsibility for our own actions; whether or not we are mature enough to govern. I think this bill calls into question that because we have passed time and time again legislation saying we want to do away with the single business tax, yet nobody has come up with a plan to try and fix the problem.

We've heard lots of discussion about it. Everybody has had some idea, but nobody can figure out a way to deal with this. This is more than just about getting it done; it's about getting it right. Unfortunately, this issue has a lot—the bill as it's written—of unintended consequences. We've had some discussion lately about the minimum wage legislation that was passed with about 30 seconds' notice. That had a number of unintended consequences. Anytime you do things like this that are quick fixes, but you haven't read clearly and don't know everything that it is doing, it's going to have some of those same unintended consequences.

We have before us legislation that says we can't reduce payments to counties. It sort of implies that we can't also increase payments to counties. We can argue that that is not relevant, that any future Legislature can change that, but that is sort of the excuse that everybody has used for not taking up the K-16 proposal, which everybody on your side of the aisle has argued was politically damaging to the state because we would be putting into law some requirement for future payments. This does exactly the same thing, but since it was written by a county official, it does it for counties. If it had been written by a city official, I'm sure that it would do that for cities. If it was written by a school official, I'm sure we'd already have the K-16 proposal if it also reduced taxes and increased expenditures. But here we're doing that. It also says that we can't reduce future appropriations. How do you do that? I'm going to be happy to be leaving here because you're going to be stuck with the responsibility of trying to put together budgets and once you put together the budget, this says you can't reduce that budget. But you also have a constitutional provision that requires you to balance the budget. What are you going to cut? You can't cut the counties because this law tells you you can't. So you're going to have to go back in and change this law, just as we would have to change the law that deals with the K-16 proposal that nobody even wants to talk about and talk about any of our spending priorities.

It seems to me that I've talked before about the whole fact that we ought to take responsibility for the things that we do around here. I'm willing to take responsibility and face the voters for everything that I do. In this particular case, we're giving the voters half of our decision and telling them to wait for the surprise later. Unfortunately, the surprise later is going to be a Legislature that is going to be unable, I think, to deal with this problem any better than previous legislatures have been able to deal with this problem.

Senator Sikkema's statement is as follows:

Madam President, members, colleagues, we have waited too long. The time for change is now. But what we are doing today is not without precedent. In the summer of 1993, 13 years ago, one of the single, toughest issues plaguing the state of Michigan was the issue of high and rising property taxes—in fact, 40 percent above the national average—and a funding system for public education that was, by any stretch of the imagination and argument, inequitable.

This Legislature and the people of Michigan had struggled with this issue for years and years and years. There had been at least a dozen ballot proposals prior to that time attempting to change the way we funded public education and to cut property tax and they all failed. A similar number of initiatives and proposals in the Legislature, either died in the Legislature or died at the Governor's desk, but the issue didn't go away. It was hurting the future of Michigan. It was hurting public education. It was a drag on business growth and investment. The Michigan Senate, not the House, understood that the only way to solve this problem after failure after failure was to force ourselves to do it. It was done on a bipartisan basis. The amendment was offered by a Democratic Senator and embraced by Republicans and Democrats alike—because the Senate and, finally, the House and the Governor agreed and understood that the only way to solve this vexing problem was to force a resolution.

Now, there were critics at the time—some in the legislative bodies, lots of them writing editorials. There were critics and we heard the same hew and cry then that we have heard today.

The Senator from the 10th District said it is easier to eliminate a tax than it is to create one. That is why we are doing this today. That is exactly why we have to do this because if we wait to create one, it will never happen. It's too hard. The Senator from the 23rd District said here we go again. Yes, that is exactly what we did. In fact, your predecessor, Senator, led the charge 13 years ago. That is exactly what we did 13 years ago to the betterment of the people of Michigan.

I heard that Senator from the 4th District, the honorable gentleman—sits on a special committee looking for a replacement—I expect his recommendation, along with his colleagues, by December 1st. The Senator from the 4th District pointed out that four years ago in 2002, we set the elimination date for 2009. He complains that we haven't come up with an alternative yet, precisely, because if you don't force it, it won't happen. The Senator from the Upper Peninsula, the 38th District said, "I've got a lot of questions about this." We had a lot of questions 13 years ago about how we were going to fund public education.

You know, some of the arguments that I've heard against this action, which were the same arguments that I heard 13 years ago—I was in the House at the time—might be persuasive in normal times, but, ladies and gentlemen, these are not normal times for Michigan. We are not creating jobs; our economy is stagnant. We don't present a good picture for business growth and investment, and it's time for this legislative body to take some risks to change Michigan for the better.

I've heard the phrase, as I heard 13 years ago, that eliminating a tax to fund vital services is irresponsible if you don't have a replacement right away. What I think is irresponsible is vetoing the change that Michigan needs today.

Three of the most onerous features of the SBT of this state is that it taxes jobs, it's an immediate tax on new companies, and it taxes health care. Those are three of the most onerous features of the SBT. In 2004, Senate Bill No. 1093 was sent to the Governor to eliminate taxes on new hires in Michigan, and she vetoed it. One of the most onerous features of the SBT could have been corrected by this Governor and she vetoed the bill, a fundamental change.

The same month, May of 2004, she was sent a package of bills that said the future of Michigan will come from new companies. We sent her a package of bills that said let's make Michigan attractive by not imposing the SBT on new

companies for five years. Let them get some roots into the soil of Michigan. She vetoed that series of bills. That was a fundamental change of the SBT. But then last year, she vetoed a bill that would have finally put to death Michigan's health tax. The SBT taxes companies when they give their employees health care. I submit to you, ladies and gentleman, that if those three bills—initiatives, packages—had not been vetoed in the last two and a half years, we might not be here today.

It is time for change. One alternative that by implication that I hear from the people opposed to what we are going to do today is to wait. Wait until the SBT sunsets on December 31, 2009. I can't wait, we can't wait, and the people of Michigan can't wait. Is there a risk in doing what we are doing today? Yes, there is a risk in doing what we are doing today. Was there a risk in doing what the Michigan Senate did 13 years ago on school finance reform and property taxes? Absolutely, there was a risk, but, ladies and gentleman, the greatest risk is doing nothing and saying we can wait because this is too hard.

We need a catalyst for change and economic recovery and this is it. It is time for change in Michigan and I rise to proudly support this initiative.

Senator Hammerstrom moved that the previous question be ordered on the adoption of the initiative petition. The motion prevailed.

Senator Goschka stated that had he been present on July 26 when the votes were taken on the adoption of the following conference reports, he would have voted "yea":

Senate Bill No. 1085
Senate Bill No. 1086
Senate Bill No. 1094
Senate Bill No. 1084
Senate Bill No. 1082
Senate Bill No. 1088
Senate Bill No. 1083
House Bill No. 5796
Senate Bill No. 1095

Senator Goschka stated that had he been present on July 26 when the votes were taken on concurring in the House substitutes to the following bills, he would have voted "yea":

Senate Bill No. 403
Senate Bill No. 443
Senate Bill No. 673
Senate Bill No. 1107
Senate Bill No. 1108
Senate Bill No. 1182
Senate Bill No. 1224

Senator Goschka stated that had he been present on July 26 when the vote was taken on the adoption of the amendment to the following bill, he would have voted "nay":

House Bill No. 5800

Senator Goschka stated that had he been present on July 26 when the votes were taken on the passage of the following bills, he would have voted "yea":

House Bill No. 5800
House Bill No. 6005
Senate Bill No. 48
House Bill No. 5839
Senate Bill No. 1130

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 pro tempore, Senator Birkholz, designated Senator Basham as Chairperson.

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

Senate Bill No. 1362, entitled

A bill to amend 1980 PA 119, entitled "Motor carrier fuel tax act," by amending sections 2 and 4 (MCL 207.212 and 207.214), as amended by 2002 PA 667.

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

1. Amend page 1, line 4, after "state." by striking out "The" and inserting "**EXCEPT AS OTHERWISE PROVIDED UNDER SUBSECTION (6), THE**".

2. Amend page 1, line 5, after "~~on~~" by striking out the balance of the line through "**FOR**" on line 6 and inserting "of 15 cents per gallon on".

3. Amend page 2, following line 23, by inserting:

"(6) THE ROAD TAX REQUIRED UNDER THIS SECTION SHALL BE AT A RATE OF 12 CENTS PER GALLON FOR DIESEL FUEL THAT CONTAINS AT LEAST 5% BIODIESEL. AS USED IN THIS SUBSECTION, "BIODIESEL" MEANS A FUEL COMPOSED OF MONO-ALKYL ESTERS OF LONG CHAIN FATTY ACIDS DERIVED FROM VEGETABLE OILS OR ANIMAL FATS AND, IN ACCORDANCE WITH STANDARDS SPECIFIED BY THE AMERICAN SOCIETY FOR TESTING AND MATERIALS, DESIGNATED B100 AND MEETING THE REQUIREMENTS OF D-6751, AS APPROVED BY THE DEPARTMENT OF AGRICULTURE.

(7) BEGINNING ON SEPTEMBER 1, 2006, THE STATE TREASURER SHALL ANNUALLY DETERMINE, FOR THE 12-MONTH PERIOD ENDING MAY 1 AND FOR ANY ADDITIONAL TIMES THAT THE TREASURER MAY DETERMINE, THE DIFFERENCE BETWEEN THE AMOUNT OF MOTOR FUEL TAX COLLECTED AND THE AMOUNT OF MOTOR FUEL TAX THAT WOULD HAVE BEEN COLLECTED BUT FOR THE DIFFERENTIAL RATES ON MOTOR FUEL IN SECTION 8 OF THE MOTOR FUEL TAX ACT, 2000 PA 403, MCL 207.1008, AND ON MOTOR FUEL IN SUBSECTION (6). SUBSECTION (6) IS NO LONGER EFFECTIVE THE EARLIER OF 10 YEARS AFTER SEPTEMBER 1, 2006 OR THE FIRST DAY OF THE FIRST MONTH THAT IS NOT LESS THAN 90 DAYS AFTER THE STATE TREASURER CERTIFIES THAT THE TOTAL CUMULATIVE RATE DIFFERENTIAL DUE TO THE DIFFERENTIAL RATES IN SECTION 8 OF THE MOTOR FUEL TAX ACT, 2000 PA 403, MCL 207.1008, AND SUBSECTION (6) FROM SEPTEMBER 1, 2006 IS GREATER THAN \$2,500,000.00.

(8) THE LEGISLATURE SHALL ANNUALLY APPROPRIATE TO THE MICHIGAN TRANSPORTATION FUND CREATED IN 1951 PA 51, MCL 247.651 TO 247.675, THE AMOUNT DETERMINED AS THE RATE DIFFERENTIAL CERTIFIED BY THE STATE TREASURER FOR THE 12-MONTH PERIOD ENDING ON MAY 1 OF THE CALENDAR YEAR IN WHICH THE FISCAL YEAR BEGINS. SUBSECTION (6) SHALL NOT BE EFFECTIVE BEGINNING JANUARY OF ANY FISCAL YEAR FOR WHICH THE APPROPRIATION REQUIRED UNDER THIS SUBSECTION HAS NOT BEEN MADE BY THE FIRST DAY OF THE FISCAL YEAR."

4. Amend page 3, following line 24, by inserting:

"Enacting section 1. This amendatory act takes effect September 1, 2006."

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

Third Reading of Bills

Senator Hammerstrom 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 at the head of the Third Reading of Bills calendar:

Senate Bill No. 1362

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

The following bill was read a third time:

Senate Bill No. 1362, entitled

A bill to amend 1980 PA 119, entitled "Motor carrier fuel tax act," by amending sections 2 and 4 (MCL 207.212 and 207.214), as amended by 2002 PA 667.

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. 616**Yeas—38**

Allen	Clarke	Jelinek	Schauer
Barcia	Cropsey	Johnson	Scott
Basham	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	Sanborn	Whitmer
Clark-Coleman	Jacobs		

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 returned to the order of

Messages from the House

Senator Hammerstrom moved that consideration of the following bills be postponed for today:

House Bill No. 6213**Senate Bill No. 435**

The motion prevailed.

Senate Bill No. 640, entitled

A bill to permit the establishment and maintenance of individual or family development accounts; to provide for certain tax deductions and tax credits; to prescribe the requirements of and restrictions on individual or family development accounts; to provide for the promulgation of rules; and to provide penalties and remedies.

The House of Representatives has amended the bill as follows:

1. Amend page 4, line 8, after “program” by striking out “based on” and inserting “taking into consideration”.
2. Amend page 6, following line 15, by inserting:

“(6) The agency shall work cooperatively with financial institutions, fiduciary organizations, program sites, and contributors to implement the programs under this act.”.

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

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

By unanimous consent the Senate proceeded to the order of

Resolutions

Senator Hammerstrom moved that consideration of the following resolutions be postponed for today:

Senate Resolution No. 71**Senate Concurrent Resolution No. 53**

The motion prevailed.

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

Senate Resolution No. 156

Senate Resolution No. 157

The resolution consent calendar was adopted.

Senators Bishop, Birkholz, Barcia and McManus offered the following resolution:

Senate Resolution No. 156.

A resolution designating September 2006 as Life Insurance Awareness Month in Michigan.

Whereas, Life insurance provides financial security for families in the event of a premature death by helping surviving family members meet immediate, ongoing, and future financial obligations and objectives; and

Whereas, Surveys consistently indicate that the vast majority of Americans believe that life insurance is an essential part of a sound financial plan; and

Whereas, The unfortunate reality today is that 44 percent of households in the United States say they lack adequate life insurance protection; and

Whereas, When someone who provides for other family members dies prematurely, insufficient life insurance coverage often results in financial hardship for surviving family members, forcing them to take such measures as work additional jobs or longer hours, borrow money from family and friends, scale back educational plans for children, spend down money from savings and investment accounts, and move to less expensive homes; and

Whereas, Determining how much and what kind of insurance to buy is one of the most important financial decisions consumers will ever make. Individuals, families, and businesses can benefit greatly from the expert advice of a qualified life insurance professional; and

Whereas, The Life and Health Insurance Foundation for Education, the National Association of Insurance and Financial Advisors, and a coalition representing hundreds of life insurance companies and organizations have designated September as Life Insurance Awareness Month, whose goal is to make consumers more aware of their life insurance needs, seek professional advice, and take the actions necessary to achieve the financial security of their loved ones; now, therefore, be it

Resolved by the Senate, That we hereby designate September 2006 as Life Insurance Awareness Month in Michigan, and we urge the citizens of the state to learn more about life insurance and its benefits; and be it further

Resolved, That copies of this resolution be transmitted to Governor Jennifer Granholm and to the commissioner of the Office of Financial and Insurance Services.

Senators Cassis, Clarke, Hammerstrom and Switalski were named co-sponsors of the resolution.

Senator Jelinek offered the following resolution:

Senate Resolution No. 157.

A resolution honoring the 10th Anniversary of Michigan Government Television (MGTV) coverage of the Michigan Senate.

Whereas, MGTV was launched in 1996 as a nonprofit, 501(c)(3) corporation. It was a public affairs initiative of Michigan's cable television industry—modeled on the national C-SPAN cable networks—offering unbiased coverage of all branches of Michigan's state government; and

Whereas, Programming includes live and tape-delayed coverage of sessions and committees from Michigan's House and Senate, oral arguments before Michigan's Supreme Court, and events from the executive branch; and

Whereas, The MGTV's on-air coverage of the Senate's sessions and committees represents a partnership between the nonprofit, cable-television-supported MGTV and the Senate's own SenTel staff; and

Whereas, Both Secretary of the Senate Carol Viventi and Assistant Secretary of the Senate Pam Nyquist were involved in the launch of MGTV's Senate coverage and continue to work closely with MGTV; and

Whereas, Through its coverage of sessions and committees, MGTV brings the Senate directly into more than a million homes, schools, and offices served by cable television around the state, and it offers all sessions and committees gavel-to-gavel without editing; and

Whereas, One part of MGTV's mission is to provide students and educators with a working knowledge of the three branches of Michigan's government by offering free lesson plans to teachers and live programs with state government leaders by videoconference or telephone; and

Whereas, The Senate was the first Michigan legislative body to turn the cameras on and begin live coverage on MGTV, opening the workings of state government to countless Michigan teachers and students in hopes of attracting younger generations to public service; now, therefore, be it

Resolved by the Senate, That the members of this legislative body recognize and congratulate Michigan Government Television on its 10th Anniversary; and be it further

Resolved, That a copy of this resolution be transmitted to MGTV as a token of our esteem.

Senators Clark-Coleman, Emerson, Clarke and Scott offered the following resolution:

Senate Resolution No. 158.

A resolution to urge the President of the United States to work to bring about an immediate cease fire in Lebanon and the Gaza area to stop the killing of innocent civilians on all sides.

Whereas, After tentative, hopeful signs over the recent past that a peace process could be implemented, the Middle East has erupted in violence. Kidnappings, rocket attacks, and ground operations have led to the most severe escalation of military action in more than 20 years; and

Whereas, In a matter of weeks, hundreds of innocent civilians have lost their lives in south Lebanon, the Gaza strip, and Israel. Thousands more have suffered the loss of their homes, businesses, and stability, and hospitals are filled with seriously injured victims of all ages. Equally as frightening is the possibility that, if left unchecked, the actions in Gaza, Lebanon, and Israel could extend to engulf the entire region in war. With the tensions that already exist in the Middle East, continuation of this armed conflict holds disastrous peril; and

Whereas, With the complexity of the issues, history, and many entities involved, there is clearly a monumental task ahead to bring peace to the region. The first step in this challenge is to achieve an immediate cease fire to stop the killing of innocent civilians. The stakes, for our country, the entire Middle East region, and many other countries, are too high not to work tirelessly toward this end; now, therefore, be it

Resolved by the Senate, That we urge the President of the United States to work to bring about an immediate cease fire in Lebanon and the Gaza area to stop the killing of innocent civilians on all sides; and be it further

Resolved, That copies of this resolution be transmitted to the Office of the President of the United States.

Pursuant to rule 3.204, the resolution was referred to the Committee on Government Operations.

By unanimous consent the Senate returned to the order of

Messages from the Governor

Senator Hammerstrom moved that consideration of the following bills be postponed for today:

Senate Bill No. 272

Senate Bill No. 271

Senate Bill No. 264

Senate Bill No. 274

Senate Bill No. 281

Senate Bill No. 175

Senate Bill No. 236

Senate Bill No. 892

Senate Bill No. 893

Senate Bill No. 956

Senate Bill No. 957

Senate Bill No. 179

Senate Bill No. 1026

Senate Bill No. 1027

Senate Bill No. 1028

Senate Bill No. 372

Senate Bill No. 973

Senate Bill No. 974

Senate Bill No. 975

Senate Bill No. 976

Senate Bill No. 242

Senate Bill No. 297

The motion prevailed.

The following message from the Governor was received on July 26, 2006, and read:

EXECUTIVE ORDER

No. 2006-16

**Department of Environmental Quality
Department of Labor and Economic Growth**

Executive Reorganization

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the Governor;

WHEREAS, Section 2 of Article V of the Michigan Constitution of 1963 empowers the Governor to make changes in the organization of the Executive Branch or in the assignment of functions among its units that the Governor considers necessary for efficient administration;

WHEREAS, many of the functions related to the regulation of mobile home parks and seasonal mobile home parks currently performed by the Department of Environmental Quality can more efficiently and effectively be performed by the Department of Labor and Economic Growth;

WHEREAS, there is a continuing need to reorganize functions amongst state departments to ensure efficient administration and effectiveness of government;

NOW, THEREFORE, I, Jennifer M. Granholm, Governor of the State of Michigan, by virtue of the power and authority vested in the Governor by the Michigan Constitution of 1963 and Michigan law order:

I. DEFINITIONS

As used in this Order:

A. "Department of Environmental Quality" means the principal department of state government created under Executive Order 1995-18, MCL 324.99903.

B. "Department of Labor and Economic Growth" means the principal department of state government created as the Department of Commerce under Section 225 of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.325, renamed the Department of Consumer and Industry Services under Executive Order 1996-2, MCL 445.2001, and renamed the Department of Labor and Economic Growth under Executive Order 2003-18, MCL 445.2011.

C. "State Budget Director" means the Director of the State Budget Office created under Section 321 of the Management and Budget Act, 1984 PA 431, MCL 18.1321.

D. "Type II Transfer" means that type of transfer as defined in Section 3(b) of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.103(b).

II. TRANSFER OF AUTHORITY

A. Except as provided in Section II.B, all of the following authority, powers, duties, functions, and responsibilities of the Department of Environmental Quality under The Mobile Home Commission Act, 1987 PA 96, MCL 125.2301 to 125.2350, previously transferred from the Department of Public Health to the Department of Environmental Quality under Executive Order 1996-1, MCL 330.3101, are transferred by Type II Transfer from the Department of Environmental Quality to the Department of Labor and Economic Growth:

1. Promulgating rules and setting forth minimum standards regulating all of the following under Subdivisions 1(c) to 1(g) of Section 6 of The Mobile Home Commission Act, 1987 PA 96, MCL 125.2306:

- a. Drainage.
- b. Garbage and rubbish storage and disposal.
- c. Insect and rodent control.
- d. General operation, maintenance, and safety.
- e. Certification of compliance.

2. Coordinating approvals by state and local governments of preliminary plans to develop a mobile home park or a seasonal mobile home park under Section 11 of The Mobile Home Commission Act, 1987 PA 96, MCL 125.2311.

3. Conducting annual physical inspections of mobile home parks and seasonal mobile home parks and granting certificates of compliance under Section 17 of The Mobile Home Commission Act, 1987 PA 96, MCL 125.2317, in accordance with standards established by the Department regulating all of the following under Subdivisions 1(c) to 1(g) of Section 6 of The Mobile Home Commission Act, 1987 PA 96, MCL 125.2306:

- a. Drainage.
- b. Garbage and rubbish storage and disposal.
- c. Insect and rodent control.
- d. General operation, maintenance, and safety.
- e. Certification of compliance.

4. All other authority, powers, duties, functions, and responsibilities vested in the Department of Environmental Quality under The Mobile Home Commission Act, 1987 PA 96, MCL 125.2301 to 125.2350, previously transferred from the Department of Public Health to the Department of Environmental Quality under Executive Order 1996-1, except as provided under Section II.B of this Order.

B. All of the following authority, powers, duties, functions, and responsibilities are retained by the Department of Environmental Quality and are not transferred to the Department of Labor and Economic Growth:

1. Promulgating rules and setting forth minimum standards regulating all of the following under Subdivisions 1(a) to 1(b) of Section 6 of The Mobile Home Commission Act, 1987 PA 96, MCL 125.2306:

- a. Water supply systems.
- b. Sewage collection and disposal systems.

2. Conducting annual physical inspections of mobile home parks and seasonal mobile home parks and granting certificates of compliance under Section 17 of The Mobile Home Commission Act, 1987 PA 96, MCL 125.2317, in accordance with standards established by the Department regulating all of the following under Subdivisions 1(a) to 1(b) of Section 6 of The Mobile Home Commission Act, 1987 PA 96, MCL 125.2306:

- a. Water supply systems.

b. Sewage collection and disposal systems.

III. IMPLEMENTATION OF TRANSFERS

A. The Director of the Department of Labor and Economic Growth shall provide executive direction and supervision for the implementation of all transfers of functions under this Order and shall make internal organizational changes as necessary to complete the transfers under this Order.

B. The functions transferred under this Order shall be administered by the Director of the Department of Labor and Economic Growth in such ways as to promote efficient administration.

C. All rule-making, licensing, and registration functions related to the functions transferred under this Order, including, but not limited to, the prescription of rules, regulations, standards, and adjudications, under the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 to 24.328, are transferred to the Director of the Department of Labor and Economic Growth.

D. The Director of the Department of Labor and Economic Growth may delegate within the Department of Labor and Economic Growth a duty or power conferred on the Director of the Department of Labor and Economic Growth by this Order or by other law or order, and the individual to whom the duty or power is delegated may perform the duty or exercise the power at the time and to the extent that the power is delegated by the Director of the Department of Labor and Economic Growth.

E. All records, property, and unexpended balances of appropriations, allocations, and other funds used, held, employed, available, or to be made available to the Department of Environmental Quality for the activities, powers, duties, functions, and responsibilities transferred under this Order are transferred to the Department of Labor and Economic Growth.

F. No personnel shall be transferred under this Order.

G. The State Budget Director shall determine and authorize the most efficient manner possible for handling financial transactions and records in the state's financial management system for Fiscal Year 2006-2007.

IV. MISCELLANEOUS

A. All rules, orders, contracts, and agreements relating to the functions transferred under this Order lawfully adopted prior to the effective date of this Order shall continue to be effective until revised, amended, repealed, or rescinded.

B. Any suit, action, or other proceeding lawfully commenced by, against, or before any entity affected under this Order, shall not abate by reason of the taking effect of this Order. Any suit, action, or other proceeding may be maintained by, against, or before the appropriate successor of any entity affected under this Order.

C. The invalidity of any portion of this Order shall not affect the validity of the remainder of the Order, which may be given effect without any invalid portion. Any portion of this Order found invalid by a court or other entity with proper jurisdiction shall be severable from the remaining portions of this Order.

In fulfillment of the requirements under Section 2 of Article V of the Michigan Constitution of 1963, the provisions of this Order are effective October 1, 2006 at 12:01 a.m.

[SEAL]

Given under my hand and the Great Seal of the State of Michigan this 26th day of July, in the year of our Lord, two thousand and six.

Jennifer M. Granholm
Governor

By the Governor:
Terri L. Land
Secretary of State

The Executive Order was referred to the Committee on Government Operations.

The following message from the Governor was received on July 28, 2006, and read:

EXECUTIVE ORDER No. 2006-17

Declaration of a State of Emergency Oscoda County

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the Governor;

WHEREAS, under the Emergency Management Act, 1976 PA 390, MCL 30.401 to 30.402, the Governor is responsible for coping with dangers to this state or the people of this state presented by a disaster or emergency and may issue executive orders, proclamations, and directives having the force and effect of law to implement the Act;

WHEREAS, under Section 3 of the Emergency Management Act, 1976 PA 390, MCL 30.403, the Governor shall, by executive order or proclamation, declare a state of emergency if the Governor finds that an emergency has occurred or that the threat of an emergency exists;

WHEREAS, on July 17, 2006, a series of severe thunderstorms passed through Oscoda County, Michigan, dropping between three and five inches of rain in two hours;

WHEREAS, the excessive rainfall seriously damaged three primary county roads located within the townships of Elmer and Big Creek, requiring that they be closed to traffic;

WHEREAS, Oscoda County lacks the financial resources to rapidly repair and re-open the roads so that emergency vehicles can have ready access to the affected areas;

WHEREAS, state assistance is needed to supplement local efforts and capabilities to save lives, protect property and the public health and safety, or to lessen or avert the threat of a catastrophe in Oscoda County;

NOW, THEREFORE, I, JENNIFER M. GRANHOLM, Governor of the State of Michigan, by virtue of the power and authority vested in the Governor by the Michigan Constitution of 1963 and Michigan law, order:

1. A State of Emergency is declared in Oscoda County.

2. Consistent with the Michigan Emergency Plan, the Director of the Department of State Police, or his or her designee within the Department of State Police, shall coordinate and maximize all state efforts to assist political subdivisions and officials in Oscoda County and may call upon all state departments and agencies to utilize available resources, including, but not limited to, supplies, equipment, materials, or facilities, to assist with response to the State of Emergency.

3. The State of Emergency is terminated at such time as emergency conditions no longer exist and appropriate programs have been implemented to recover from the effects of the emergency conditions, but in no case longer than August 25, 2006.

This Order is effective upon filing.

[SEAL]

Given under my hand and the Great Seal of the State of Michigan this 28th day of July, in the year of our Lord, two thousand and six.

Jennifer M. Granholm
Governor

By the Governor:
Terri L. Land
Secretary of State

The Executive Order was referred to the Secretary for record.

The following messages from the Governor were received and read:

July 26, 2006

I respectfully submit to the Senate, pursuant to Section 6 of Article 5 of the Michigan Constitution of 1963, the following appointment to state office under Sections 22 and 22a of the Michigan Election Law, 1954 PA 116, MCL 168.22 and 168.22a:

Board of State Canvassers

Ms. Erane C. Washington-Kendrick, a Democrat, of 8409 South Huron River Drive, Ypsilanti, Michigan 48197, county of Washtenaw, succeeding Doyle O'Connor, who has resigned, appointed for a term commencing July 26, 2006 and expiring January 31, 2007.

July 27, 2006

I respectfully submit to the Senate, pursuant to Article V, Section 6 of the Michigan Constitution of 1963, the following appointments to state office under Sections 302 and 2603 of the Occupational Code, 1980 PA 299, MCL 339.302 and 339.2603:

Board of Real Estate Appraisers

Mr. Reagan R. Schwarzlose of 23937 Beck Road, Novi, Michigan 48374, county of Oakland, succeeding John E. Miller, whose term has expired, representing certified general real estate appraisers employed by a nationally chartered bank, for a term commencing July 27, 2006 and expiring June 30, 2010.

Mr. John P. Snyder of 1327 Flushing Road, Flushing, Michigan 48433, county of Genesee, succeeding Terrell R. Oetzel, whose term has expired, representing certified general real estate appraisers, for a term commencing July 27, 2006 and expiring June 30, 2010.

August 1, 2006

I respectfully submit to the Senate, pursuant to Section 6 Article 5 of the Michigan Constitution of 1963, the following appointments to state office under Section 3 of the Older Michiganians Act, 1981 PA 180, MCL 400.583:

Commission on Services to the Aging

Mr. Donald L. Newport, an Independent, of 3491 South U.S. 23, Greenbush, Michigan 48738, county of Alcona, succeeding Alberta Wilburn, whose term has expired, appointed for a term commencing August 1, 2006 and expiring July 28, 2009.

Mr. Anthony P. Pawelski, a Democrat, of 226 Libby, P.O. Box 556, Pinconning, Michigan 48650, county of Bay, succeeding Herman Dooba, whose term has expired, appointed for a term commencing August 1, 2006 and expiring July 28, 2009.

Ms. Jerutha Kennedy, an Independent, of 13586 Mendota, Detroit, Michigan 48238, county of Wayne, reappointed for a term expiring July 28, 2009 .

Mr. Ramesh C. Verma, a Democrat, of 45725 Jaslyn Lane, Novi, Michigan 48374, county of Oakland, reappointed for a term expiring July 28, 2009.

August 1, 2006

I respectfully submit to the Senate, pursuant to Section 6 of Article 5 of the Michigan Constitution of 1963, the following appointments to state office under Sections 302 and 2402 of the Occupational Code, 1980 PA 299, MCL 339.302 and 339.2402:

Residential Builders' and Maintenance and Alteration Contractors' Board

Mr. Frank DiStefano of 923 Blairmoor Court, Grosse Pointe Woods, Michigan 48236, county of Wayne, succeeding L. David Kellett, whose term has expired, representing licensed residential builders, for a term commencing August 1, 2006 and expiring March 31, 2009.

Mr. James G. Haeussler of 229 South Williams Street, Saline, Michigan 48176, county of Washtenaw, succeeding Robert R. Jones, whose term has expired, representing licensed residential builders, for a term commencing August 1, 2006 and expiring March 31, 2010.

August 1, 2006

I respectfully submit to the Senate, pursuant to Section 6 Article 5 of the Michigan Constitution of 1963, the following appointment to state office under Section 511 of the Worker's Disability Compensation Act of 1969, 1969 PA 317, MCL 418.511:

Self-Insurers' Security Fund, Second Injury Fund, Silicosis, Dust Disease, and Logging Industry Compensation Fund Board of Trustees

Mr. James P. Dillon of 225 Chanticleer Trail, Lansing, Michigan 48917, county of Ingham, succeeding Mark Hogle, whose term has expired, representing the insurance industry, for a term commencing August 1, 2006 and expiring April 30, 2010.

August 3, 2006

I respectfully submit to the Senate, pursuant to Section 6 of Article 5 of the Michigan Constitution of 1963, the following appointment to state office under Section 29 of Article 5 of the Michigan Constitution of 1963:

Civil Rights Commission

Mr. J. Michael Zelle, an Independent, of 5175 Candlewood, Grand Blanc, Michigan 48439, county of Genesee, succeeding Albert Calille, whose term has expired, appointed for a term commencing August 3, 2006 and expiring December 31, 2009.

Sincerely,
Jennifer M. Granholm
Governor

The appointments were referred to the Committee on Government Operations.

By unanimous consent the Senate proceeded to the order of
Statements

Senators Scott, Van Woerkom and Goschka asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Scott's statement is as follows:

Well, colleagues, I'm going to be back with you now, so let's get started on this insurance, okay. I mean, they didn't send me back for nothing. They sent me back to clear up this insurance, so we're going to have some affordable insurance. So let's get busy, alright.

God bless you and I look forward to when we come back to get some real work done.

Senator Van Woerkom's statement is as follows:

It is with deep respect and sadness that I rise today to honor Army Specialist Dennis K. Samson, Jr., who recently gave his life while serving in Iraq. He was killed July 24th by enemy fire when his post was attacked in Ar Ramadi, Iraq. He was 24 years old.

Specialist Samson was a graduate of Hesperia High School in 2000. He entered the Army in April 2004 and was assigned to the 4th Brigade Troop Battalion, 4th Brigade Combat Team, 101st Airborne Division at Fort Campbell, Kentucky. His brother, Dana Samson, was also serving in Iraq at the time of his death.

Specialist Samson is remembered as someone who enjoyed life and brought his contagious smile with him wherever he went. He was a member of his high school cross country team where he made an impression on both his teammates and his coach. They recall him as a talented athlete who was determined and always worked hard.

Dennis was loved and respected by all who knew him. He was a member of Ferry United Methodist Church, but the funeral services had to be held in a larger church because he had so many friends in the community. During the funeral procession, the streets of Newaygo County were lined with friends and neighbors as shop owners and farmers closed down their businesses to pay their respect.

At the funeral service, those who knew him best say that he loved being part of the 101st Airborne and he thrived in the Army. They also knew he was always meant to achieve great things in life. I can think of nothing greater than laying one's life down for his country.

One of Dennis' last acts was to write a letter about his time and service in Iraq. He sent it to his family only a few weeks before his death. His own words describe a deep sense of service and commitment to his country. His letter reads as follows:

"This sacrifice I give to you. This place we call home is now Iraq. This place we have to adapt. This is the day that we cherish, to live each day so we can go home and see our family and friends. Having ice cream seems like heaven and having eight hours of sleep is better than seven. So as I pick up my weapon, I tread across the path knowing that it could be my day. I hope not, but I accept it when I die. What keeps me going is to live another day, to see my family, to see the soil. What we go through you'll never see on the news. If you want to understand, look at my face, listen to my voice, it's everything about me, my wounds, my scars and my tears. Once you look into my eyes, you'll understand what I mean when I say this body is for you. This sacrifice is for all of you so you can do what you want! Say what you want! And not have to fear from all sorts of evil from domestic and foreign countries. Here I stand to protect what I believe. I hope this is good enough for all of you, and if it's not, take another look, for I bleed for you. I do my best to do what's right and do what's most important, not for me, but for this country. I am infantry!"

U.S. Army Specialist Dennis K. Samson, Jr., is survived by his mother and stepfather, Dawn and Randy Ackley of Hesperia; his father Dennis Samson, Sr., of Seattle; his brother, Private First Class Dana Samson with the U.S. Army in Iraq; his sister Micki Martin of Hesperia; his grandparents Tom and Linda Bennett of Hesperia; and several stepbrothers and stepsisters.

While these words cannot bring Dennis back, I do hope they bring comfort to his family and friends as his life is honored today in this chamber. His memory reminds us all of the high cost of freedom. His sacrifice will be an inspiration for many generations to come.

A moment of silence was observed in memory of U.S. Army Specialist Dennis K. Samson, Jr.

Senator Goschka's statement is as follows:

I was not able to be here at our last session day because of a family commitment, but during that time, of course, we did pass a number of bills, one of which was the higher education bill, Senate Bill No. 1088.

I wanted simply, as the chairman of that budget and subcommittee, to thank everyone for the support they gave on that higher education bill. I particularly want to thank Senator Shirley Johnson. She has been so faithful in being a strong supporter on the initiatives that I have tried to work on in my four years in chairing that budget. I think that we've accomplished many wonderful things. It would not have been done without the leadership and the support of Senator Johnson. I will be forever grateful and I am so thankful that I have had the opportunity to serve with this wonderful lady for as long as I have—14 years.

I want to thank Senator Bill Hardiman as well as a member of that subcommittee. What a great leader he has been for higher education. Really, I am so touched by the kind words that you, Senator Johnson, and Senator George made about me in my absence. That suggests perhaps I should be gone more often, but I am grateful for the support that I received in subcommittee.

Also I want to thank Senator Prusi and Senator Cherry as well, working as a team, in the big picture, trying to do what we could do best for higher education. Senator Sikkema, certainly, from the outset has always been a strong proponent of the things we've been trying to do and has stood tall for the parents and the families in this state as we've really tried to put higher education on the map in this state.

When I first became chairman of this budget, we wanted to eliminate tiers. There were five tiers in that budget every year and they really meant nothing. I also wanted to establish floor funding. Not that everyone was there initially from the beginning, but at the end, I am so grateful that so many people in this chamber were willing to support those initiatives. So we did eliminate the tiers. We did establish floor funding. It is something that I think is very important that at least wherever you go to a public university in this state, there should at least be a minimum amount of dollars that a student should be able to count on from the state. There are some schools that we know that historically have received the least dollars per pupil. It's not right. We corrected that in part. We've got a long way to go.

One other person I want to identify who has been so supportive and that is Senator Jim Barcia. What a wonderful friend Jim Barcia has been these years in working on that higher education budget. He has really looked at issues from an objective perspective and stood tall for higher education. He has been a leader.

Madam President, I am so grateful again for the support that I've had in these four years as chairman of the higher education budget.

By unanimous consent the Senate returned to the order of

Introduction and Referral of Bills

Senators McManus, Birkholz, Jelinek, Johnson and Hardiman introduced

Senate Bill No. 1365, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 811e (MCL 257.811e), as amended by 2001 PA 124, and by adding section 811o.

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

Senator Patterson introduced

Senate Bill No. 1366, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 11514 (MCL 324.11514), as amended by 2005 PA 243.

The bill was read a first and second time by title and referred to the Committee on Natural Resources and Environmental Affairs.

Senator Patterson introduced

Senate Bill No. 1367, entitled

A bill to amend 1976 PA 388, entitled "Michigan campaign finance act," by amending section 47 (MCL 169.247), as amended by 2001 PA 250.

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

Senators Jelinek, Kuipers, Jacobs, McManus, Cropsey, Gilbert, Switalski and Birkholz introduced

Senate Bill No. 1368, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 223 (MCL 257.223).

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

Senators Jelinek, Kuipers, Jacobs, McManus, Cropsey, Gilbert and Switalski introduced

Senate Bill No. 1369, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 27a (MCL 211.27a), as amended by 2005 PA 23.

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

Senators Kuipers, McManus, Jelinek, Patterson, Van Woerkom, Allen, Barcia, Olshove, Thomas, Switalski and Brater introduced

Senate Bill No. 1370, entitled

A bill to amend 1975 PA 228, entitled "Single business tax act," (MCL 208.1 to 208.145) by adding section 33.

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

Senators Switalski, Brown, Johnson, Jacobs, Clarke, Clark-Coleman, Prusi, Thomas, Brater, Barcia, Cassis, Bishop, Basham, Cherry, Kuipers, Olshove, Schauer, Garcia, Stamas, Leland, McManus, Jelinek, Allen, Scott, George, Birkholz, Cropsey, Gilbert, Toy, Van Woerkom, Hammerstrom, Hardiman, Sanborn, Emerson, Whitmer and Patterson introduced **Senate Bill No. 1371, entitled**

A bill to amend 2002 PA 591, entitled "Michigan nursing scholarship act," by amending section 2 (MCL 390.1182). The bill was read a first and second time by title and referred to the Committee on Appropriations.

Senator Johnson introduced

Senate Bill No. 1372, entitled

A bill to amend 1933 PA 167, entitled "General sales tax act," by amending section 5b (MCL 205.55b), as amended by 2004 PA 173.

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

Senator Johnson introduced

Senate Bill No. 1373, entitled

A bill to amend 1937 PA 94, entitled "Use tax act," by amending section 6a (MCL 205.96a), as amended by 2004 PA 172.

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

Senator Emerson introduced

Senate Bill No. 1374, entitled

A bill to amend 1941 PA 122, entitled "An act to establish the revenue collection duties of the department of treasury; to prescribe its powers and duties as the revenue collection agency of the state; to prescribe certain powers and duties of the state treasurer; to regulate the importation, stamping, and disposition of certain tobacco products; to provide for the transfer of powers and duties now vested in certain other state boards, commissions, departments and offices; to prescribe certain duties of and require certain reports from the department of treasury; to provide procedures for the payment, administration, audit, assessment, levy of interests or penalties on, and appeals of taxes and tax liability; to prescribe its powers and duties if an agreement to act as agent for a city to administer, collect, and enforce the city income tax act on behalf of a city is entered into with any city; to provide an appropriation; to abolish the state board of tax administration; to prescribe penalties and provide remedies; and to declare the effect of this act," by amending section 28 (MCL 205.28), as amended by 2003 PA 114, and by adding section 3b.

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

Senator Switalski introduced

Senate Bill No. 1375, entitled

A bill to amend 1971 PA 140, entitled "Glenn Steil state revenue sharing act of 1971," by amending section 13 (MCL 141.913), as amended by 2005 PA 196.

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

Senators Switalski and Garcia introduced

Senate Bill No. 1376, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," by amending section 1311g (MCL 380.1311g), as amended by 2005 PA 28.

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

Senators Basham and Jacobs introduced

Senate Bill No. 1377, entitled

A bill to amend 1984 PA 431, entitled "The management and budget act," (MCL 18.1101 to 18.1594) by adding section 214.

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

Senators Basham and Jacobs introduced

Senate Bill No. 1378, entitled

A bill to require local units of government to use ultra-low-sulfur diesel fuel in certain vehicles under certain conditions. The bill was read a first and second time by title and referred to the Committee on Technology and Energy.

Senators Basham and Jacobs introduced

Senate Bill No. 1379, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 12101, 12102, 12103, 12105, 12107, 12111, 12112, and 12113 (MCL 324.12101, 324.12102, 324.12103, 324.12105, 324.12107, 324.12111, 324.12112, and 324.12113), sections 12101, 12102, 12103, and 12112 as amended by 2001 PA 165 and sections 12105 and 12107 as amended by 1998 PA 140.

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

Senators Clarke, Scott, Schauer, Basham, Jacobs, Leland, Emerson, Brater, Whitmer, Cherry, Barcia, Thomas, Olshove, Clark-Coleman, Prusi and Switalski introduced

Senate Bill No. 1380, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," (MCL 500.100 to 500.8302) by adding section 2027a.

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

Senator Whitmer introduced

Senate Bill No. 1381, entitled

A bill to require certain business entities to comply with certain requirements to receive economic development benefits; to prescribe the powers and duties of certain state departments and agencies; and to prescribe certain penalties.

The bill was read a first and second time by title and referred to the Committee on Economic Development, Small Business and Regulatory Reform.

Senator Jacobs introduced

Senate Bill No. 1382, entitled

A bill to amend 1984 PA 431, entitled "The management and budget act," (MCL 18.1101 to 18.1594) by adding section 262a.

The bill was read a first and second time by title and referred to the Committee on Economic Development, Small Business and Regulatory Reform.

Senator Basham introduced

Senate Bill No. 1383, entitled

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending section 38g (MCL 208.38g), as amended by 2006 PA 240.

The bill was read a first and second time by title and referred to the Committee on Economic Development, Small Business and Regulatory Reform.

Senator Schauer introduced

Senate Bill No. 1384, entitled

A bill to amend 1995 PA 24, entitled "Michigan economic growth authority act," by amending section 8 (MCL 207.808), as amended by 2006 PA 283.

The bill was read a first and second time by title and referred to the Committee on Economic Development, Small Business and Regulatory Reform.

Senator Scott introduced

Senate Bill No. 1385, entitled

A bill to amend 2000 PA 146, entitled "Obsolete property rehabilitation act," by amending section 3 (MCL 125.2783).

The bill was read a first and second time by title and referred to the Committee on Economic Development, Small Business and Regulatory Reform.

Senator Basham introduced

Senate Bill No. 1386, entitled

A bill to amend 1974 PA 198, entitled "An act to provide for the establishment of plant rehabilitation districts and industrial development districts in local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain facilities; to impose and provide for the disposition of an administrative fee; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of the state tax commission and certain officers of local governmental units; and to provide penalties," by amending section 9 (MCL 207.559), as amended by 2006 PA 22.

The bill was read a first and second time by title and referred to the Committee on Economic Development, Small Business and Regulatory Reform.

Senator Basham introduced

Senate Bill No. 1387, entitled

A bill to amend 1987 PA 231, entitled "An act to create a transportation economic development fund in the state treasury; to prescribe the uses of and distributions from this fund; to create the office of economic development and to prescribe its powers and duties; to prescribe the powers and duties of the state transportation department, state transportation commission, and certain other bodies; and to permit the issuance of certain bonds," by amending section 9 (MCL 247.909), as amended by 1993 PA 149.

The bill was read a first and second time by title and referred to the Committee on Economic Development, Small Business and Regulatory Reform.

Senators Emerson, Switalski, Brater, Basham, Cherry, Schauer, Barcia, Leland, Olshove and Thomas introduced

Senate Bill No. 1388, entitled

A bill to amend 1964 PA 154, entitled "Minimum wage law of 1964," by amending sections 4a and 14 (MCL 408.384a and 408.394), section 4a as amended by 1997 PA 2 and section 14 as amended by 1998 PA 37; and to repeal acts and parts of acts.

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

Senator Emerson introduced

Senate Bill No. 1389, entitled

A bill to provide for the preservation of certain credits for certain economic development activities.

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

Senator Emerson introduced

Senate Bill No. 1390, entitled

A bill to amend 1996 PA 376, entitled "Michigan renaissance zone act," by amending section 9 (MCL 125.2689).

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

House Bill No. 5021, entitled

A bill to amend 1975 PA 228, entitled "Single business tax act," (MCL 208.1 to 208.145) by adding section 36e.

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 Banking and Financial Institutions.

House Bill No. 5022, 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 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 Banking and Financial Institutions.

House Bill No. 5879, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 17015 (MCL 333.17015), as amended by 2006 PA 77.

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 Health Policy.

House Bill No. 5880, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 17515 (MCL 333.17515), as added by 1993 PA 133, and by adding section 17015a.

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 Health Policy.

House Bill No. 5881, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," (MCL 600.101 to 600.9947) by adding section 2976.

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 Health Policy.

House Bill No. 5882, entitled

A bill to amend 1931 PA 328, entitled "The Michigan penal code," (MCL 750.1 to 750.568) by adding section 15a.

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 Health Policy.

House Bill No. 5883, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 18 of chapter XVII (MCL 777.18), as amended by 2000 PA 304.

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 Health Policy.

Senator Hammerstrom moved that the Senate adjourn.

The motion prevailed, the time being 12:27 p.m.

In pursuance of the order previously made, the President pro tempore, Senator Birkholz, declared the Senate adjourned until Wednesday, August 16, 2006, at 10:00 a.m.

CAROL MOREY VIVENTI
Secretary of the Senate

