

Senate Committee on Commerce and Tourism

A meeting of the Senate Committee on Commerce and Tourism was held Tuesday, January 26, 2009 at 2:30 p.m. in room 100 of the Farnum Building.

The meeting was called to order at 2:37 p.m.

Members present: Senators Allen, Nofs, Stamas and Clarke

Members excused: Hunter

Senator Allen called the meeting to order.

Senator Stamas moved to adopt the minutes from the meeting held Thursday, December 17, 2009 with unanimous consent. Senator Clarke supported the motion. By unanimous consent, the minutes from the meeting were adopted.

Senator Stamas moved to adopt the minutes from the meeting held Monday, January 4, 2010 with unanimous consent. Senator Clarke supported the motion. By unanimous consent, the minutes from the meeting were adopted.

Senator Clarke moved to adopt the minutes from the meeting held Tuesday, January 19, 2010 with unanimous consent. Senator Stamas supported the motion. By unanimous consent, the minutes from the meeting were adopted.

Senator Allen laid before the committee for consideration Senate Bill 860 (Sen. Allen).

Paul Connors testified before the committee to explain the bill, noting that it would remove the required permission from schools for minors to volunteer with service organizations.

Susan Putnam, representing Big Brothers, Big Sisters in the Heart of Michigan, testified in support of the bill and explained the program their organization has matching high school students with elementary students. Ms. Putnam stated that this bill would remove a barrier to volunteerism.

Tiffany Aurora, representing the Michigan Nonprofit Association, supported the bill and did not wish to testify.

Tim Martin, representing the Department of Energy, Labor, and Economic Growth (DELEG); supported the bill and did not wish to testify.

Senator Allen noted that this was the first hearing on the bill, and that there will be another meeting on this bill to vote on it.

Senator Allen laid before the committee for consideration Senate Bills 1037 (Sen. Cropsey), 1038 (Sen. Allen), and 1039 (Sen. Barcia).

Senator Allen noted to the committee that this would be the first of a few hearings on these bills, and that he wanted to work with all interested parties to find some sort of harmony on the legislation.

Ken Osborne testified before the committee to explain the legislation.

Rusty Merchant, representing Axios Incorporated, supported the bills as introduced with the bifurcated reporting, and did not wish to testify.

Blaine Schultz, representing Advance HR; Greg Packer, representing Access Point HR; and Tim Tucker, representing the National Association of Professional Employer Organization, testified together in support of the legislation. Mr. Shultz stated that they favored these bills because they were “smart regulation” and would clean up some issues that had arisen. Mr. Shultz further stated that these bills would help the industry to grow. Mr. Packer stated that clarity was important for companies that rely on PEOs, and that 35 other states have reasonable regulatory framework, which many PEOs look for when deciding where to locate and grow. Mr. Tucker reiterated what the other two gentlemen stated, adding that PEO growth is a steady 15% per year.

Senator Clarke asked the gentlemen testifying what precisely they needed in terms of regulation. Mr. Shultz responded that regulation creates a specific framework for this unique industry in terms of workman’s compensation, unemployment insurance and health benefits. It also provides for confidence of the public and customers that this industry is meeting certain standards.

Matt Levin, of the Unemployment Insurance Agency (UIA); and Tom Martin, of DELEG, testified together on the bills. Mr. Levin stated that the UIA would be more inclined to support the legislation if there was one method of reporting. Further, Mr. Levin stated that he believed a compromise could be reached on that front, and that they are working with the PEO companies on that matter. Mr. Martin also explained that they were working for a compromise on the regulatory matters with the PEOs. Mr. Martin believes the bills are a good start, but that they have a ways to go in terms of regulation, and he feels that there is not enough revenue generated in them to support a regulatory program.

Senator Allen reiterated that the bills were still a work in progress, and that more testimony and work on them will occur.

Senator Allen announced that the meeting for the coming week would be held on Monday, February 1, 2010, at 10am in Detroit. The location will be the University of Michigan Detroit Center on the corner of Woodward and Martin Luther King Jr. Blvd. This meeting will be the final testimony opportunity on the Land Bank Bills.

Senator Allen adjourned the committee 3:04 p.m.

Respectfully Submitted,

Lauren K. Michalak
Committee Clerk

Jason E. Allen
Chairman

Date Approved by Committee