

## **Senate Committee on Commerce and Tourism**

A meeting of the Senate Committee on Commerce and Tourism was held Tuesday, May 25, 2009 at 2:30 p.m. in room 100 of the Farnum Building.

The meeting was called to order at 2:35 p.m.

Members present: Senators Allen, Nofs, Stamas, Clarke and Hunter

Members excused: None

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Senator Allen called the meeting to order.

Senator Clarke moved to adopt the minutes from the meeting held Tuesday, May 18, 2010 with unanimous consent. Senator Nofs supported the motion. By unanimous consent, the minutes from the meeting were adopted.

Senator Allen laid before the committee for consideration Senate Bills 978-979, 1015-1017, and 1266 (The Regional Land Bank Authority Bills).

Senator George testified in support of the package, noting that the package had been considerably modified to reflect input received. Senator George stated that the package would give land banks new tools and agreed that it was time to move the package forward as further work is done on the package.

Andy Schor, representing the Michigan Municipal League, testified that he was neutral on SBs 1017 and 1266. Mr. Schor stated that his organization was working with staff on the bills and that he believed there was a good chance that his group would be in support of the bills as things progress.

Jerry Griffin, representing the Wayne County Executive Office, supported the bills and did not wish to testify.

Bill McMaster, representing Taxpayers United Michigan Foundation, opposed the legislation as well as all legislation posted on the agenda for the day's meeting. Due to time constraints, Senator Allen asked that Mr. McMaster limit his remarks to five minutes. Mr. McMaster

expressed his concern with the process for tax reverted properties, many of which end up going to land banks. Mr. McMaster opposes the idea of making it easier to give properties to land banks. Mr. McMaster further expressed his opposition to all bills on the agenda today and stated that he believes they violate the constitution on property rights. Mr. McMaster stated his organization's intention to fight to block this type of legislation.

Brian Kandler, representing the Detroit Regional Chamber, supported the legislation and did not wish to testify.

Senator Allen stated that the package was 90% there and that it will continue to be worked on, but that it was also important to move the process along.

Senator Allen then asked Ken Osborne to explain the legislation and substitutes. Mr. Osborne explained the changes that had been made to the bills through S-1 substitutes for SBs 979, 1015, and 1017. The substitute for SB 979 removed language that listed the expressed powers for the Redevelopment Authority based on testimony from a previous committee meeting where concerns were raised about this inadvertently impacting other land banks. The substitute also ensures that only a publicly elected body can vote to create a redevelopment authority.

The substitute for SB 1015 removes a provision from the introduced version that prohibited the raising of animals for profit and instead reads that the Land Bank shall "promote urban agriculture in compliance with local ordinances."

The substitute for SB 1017 inserted language to help prevent properties from being purchased by speculators with no intention to develop the property.

Senator Nofs moved that Senate Bill 978 be reported out of committee with the recommendation that the bill then pass. Senator Stamas supported the motion.

The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Senators Allen, Nofs and Stamas (3/5)

Nays: none (0)

Pass: Senators Clarke and Hunter (2)

Excused: none (0)

Senator Hunter moved that Senate Bill 978 be given immediate effect. Senator Nofs supported the motion.

The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Senators Allen, Nofs, Stamas and Hunter (4/5)

Nays: none (0)

Pass: Senator Clarke (1)

Excused: none (0)

Senator Nofs moved to adopt the substitute (S-1) to Senate Bill 979. Senator Stamas supported the motion. By an affirmative vote of the majority of members serving, the substitute was adopted. Voting as follows:

Yeas: Senators Allen, Nofs, Stamas and Hunter (4/5)

Nays: none (0)

Pass: Senator Clarke (1)

Excused: none (0)

Senator Nofs moved that Senate Bill 979 (S-1) be reported out of committee with the recommendation that the bill then pass. Senator Stamas supported the motion.

The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Senators Allen, Nofs and Stamas (3/5)

Nays: none (0)

Pass: Senators Clarke and Hunter (2)

Excused: none (0)

Senator Stamas moved that Senate Bill 979 (S-1) be given immediate effect. Senator Nofs supported the motion.

The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Senators Allen, Nofs and Stamas (3/5)

Nays: none (0)

Pass: Senators Clarke and Hunter (2)

Excused: none (0)

Senator Stamas moved to adopt the substitute (S-1) to Senate Bill 1015. Senator Nofs supported the motion. By an affirmative vote of the majority of members serving, the substitute was adopted. Voting as follows:

Yeas: Senators Allen, Nofs, Stamas and Hunter (4/5)

Nays: none (0)

Pass: Senator Clarke (1)

Excused: none (0)

Senator Nofs moved that Senate Bill 1015 (S-1) be reported out of committee with the recommendation that the bill then pass. Senator Stamas supported the motion.

The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Senators Allen, Nofs, Stamas and Hunter (4/5)

Nays: none (0)

Pass: Senator Clarke (1)

Excused: none (0)

Senator Hunter moved that Senate Bill 1015 (S-1) be given immediate effect. Senator Nofs supported the motion.

The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Senators Allen, Nofs, Stamas and Hunter (4/5)

Nays: none (0)

Pass: Senator Clarke (1)

Excused: none (0)

Senator Nofs moved that Senate Bill 1016 be reported out of committee with the recommendation that the bill then pass. Senator Stamas supported the motion.

The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Senators Allen, Nofs, Stamas and Hunter (4/5)

Nays: none (0)

Pass: Senator Clarke (1)

Excused: none (0)

Senator Hunter moved that Senate Bill 1016 be given immediate effect. Senator Nofs supported the motion.

The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Senators Allen, Nofs, Stamas and Hunter (4/5)

Nays: none (0)

Pass: Senator Clarke (1)

Excused: none (0)

Senator Stamas moved to adopt the substitute (S-1) to Senate Bill 1017. Senator Nofs supported the motion. By an affirmative vote of the majority of members serving, the substitute was adopted. Voting as follows:

Yeas: Senators Allen, Nofs, Stamas and Hunter (4/5)

Nays: none (0)

Pass: Senator Clarke (1)

Excused: none (0)

Senator Hunter moved that Senate Bill 1017 (S-1) be reported out of committee with the recommendation that the bill then pass. Senator Nofs supported the motion.

The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Senators Allen, Nofs, Stamas and Hunter (4/5)

Nays: none (0)

Pass: Senator Clarke (1)

Excused: none (0)

Senator Hunter moved that Senate Bill 1017 (S-1) be given immediate effect. Senator Nofs supported the motion.

The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Senators Allen, Nofs, Stamas and Hunter (4/5)

Nays: none (0)

Pass: Senator Clarke (1)

Excused: none (0)

Senator Nofs moved that Senate Bill 1266 be reported out of committee with the recommendation that the bill then pass. Senator Stamas supported the motion. The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Senators Allen, Nofs, Stamas and Hunter (4/5)

Nays: none (0)

Pass: Senator Clarke (1)

Excused: none (0)

Senator Hunter moved that Senate Bill 1266 be given immediate effect. Senator Nofs supported the motion.

The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Senators Allen, Nofs, Stamas and Hunter (4/5)

Nays: none (0)

Pass: Senator Clarke (1)

Excused: none (0)

Senator Allen laid before the committee Senate Bill 1343 (Senator Stamas).

Joe Sproles and Michael Breen, representing Xtreme Power, testified in support of the legislation. Mr. Sproles explained that the bill would allow Xtreme Power more flexibility in order to meet the requirements to receive the tax credit it was previously granted.

Jim McBryde, representing the Michigan Economic Development Corporation, testified in support of the legislation. Mr. McBryde explained that this bill would be an additional mechanism to be used while the company was waiting on federal loans.

Charlie Pryde, representing the Ford motor Company, supported the legislation and did not wish to testify.

Senator Allen indicated that another hearing would be held on the legislation the following week. Senator Allen then laid before the committee House Bill 4986.

Ken Osborne testified to explain the S-3 substitute. Mr. Osborne informed the committee that the S-3 removes one community, the city of Inkster, that initial substitutes had included in the bill due to that situation being taken care of administratively. Mr. Osborne also noted that the substitute removed language that would not have provided an abatement of taxation levied for school operating purposes.

Senator Allen asked Diandre Hayes from Representative Coleman A. Young if they were okay with the changes. Ms. Hayes indicated that they were and appreciated the efforts to move this legislation forth.

Larry Steckelberg, representing the Treasury Department, spoke to changes in the bill and stated that the department was working with Senator Hunter to address the situation in Inkster, and that he believed a resolution would be forthcoming in the next few days.

Senator Hunter stated that he appreciated the support of the committee and department on this issue, and that he was agreeable to the changes in the bill.

Senator Nofs moved to adopt the substitute (S-3) to House Bill 4986. Senator Stamas supported the motion. By an affirmative vote of the majority of members serving, the substitute was adopted. Voting as follows:

Yeas: Senators Allen, Nofs, Stamas, Clarke and Hunter (5/5)

Nays: none (0)

Pass: none (0)

Excused: none (0)

Senator Clarke moved that House Bill 4986 (S-3) be reported out of committee with the recommendation that the bill then pass. Senator Hunter supported the motion.

The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Senators Allen, Nofs, Stamas, Clarke and Hunter (5/5)

Nays: none (0)

Pass: none (0)

Excused: none (0)

Senator Stamas moved that House Bill 4986 (S-3) be given immediate effect. Senator Nofs supported the motion.

The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Senators Allen, Nofs, Stamas, Clarke and Hunter (5/5)

Nays: none (0)

Pass: none (0)

Excused: none (0)

Senator Allen laid before the committee House Bill 5756 (Rep. Lindberg).

Ken Osborne testified in explanation of the bill. Mr. Osborne reiterated that the bill would bring the state into compliance with the federal standards.

Matt Levin, representing the Unemployment Insurance Agency, supported the legislation and did not wish to testify.

Senator Hunter moved that House Bill 5756 be reported out of committee with the recommendation that the bill then pass. Senator Clarke supported the motion. The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Senators Allen, Nofs, Stamas, Clarke and Hunter (5/5)

Nays: none (0)

Pass: none (0)

Excused: none (0)

Senator Nofs moved that House Bill 5756 be given immediate effect. Senator Stamas supported the motion.

The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Senators Allen, Nofs, Stamas, Clarke and Hunter (5/5)

Nays: none (0)

Pass: none (0)

Excused: none (0)

Senator Allen laid before the committee Senate Bills 1233-1238 (Transit Oriented Development Package). Senator Allen stated that the package was bipartisan and thanked Representative Donigan for her work on this issue.

Ken Osborne testified in explanation of the package, noting that it was part of a bipartisan, bicameral package. Ken noted that the package added two definitions of transit-oriented facilities and transit-oriented development to existing development, redevelopment and financing acts.

Andy Schor and Chris Hackbarth, representing the Michigan Municipal League, testified in support of the legislation, noting that it adds additional tools for locals but does not mandate usage.

Brenda Lawson, representing the Department of Community Health, testified in opposition to Senate Bill 1237. Ms. Lawson noted that she supported the concept of the bill but opposes changing the Certificate of Need statute. Ms. Lawson stated that the Certificate of Need (CON) commission was planning to address this issue and that she thinks current law already provides method to do this in the CON statute.

Senator Allen asked Ms. Lawson about Governor Granholm's 2003 Land Use report in which the Governor outlined her intention that CON applications take into account adequate public transportation. Senator Allen asked why this has not been implemented in the seven years since the report was issued by the CON commission if this was thought to be important. Ms. Lawson stated that she was not sure why it hadn't been implemented yet, but that it was being addressed now.

Bret Jackson, representing the Economic Alliance for Michigan, testified as neutral to Senate Bill 1237. Mr. Jackson stated his appreciation to all of those involved, but stated his belief that

the commission process works. Mr. Jackson said that he hoped the legislature would give the commission time to look into this matter.

Chris Mitchell, representing the Michigan Health and Hospital Association, opposed Senate Bill 1237 and did not wish to testify.

Mike Frederick, representing Mid-Michigan Health, opposed Senate Bill 1237 and did not wish to testify.

Sean Gehle, representing Ascension Health-MI, supports the concept of Senate Bill 1237 but urges that the issue be resolved by the CON commission.

Bill Zaagman, representing the Michigan Public Transit Association, supports bills 1233-1238 and did not wish to testify.

Senator Allen stated that the intention was to continue discussions on the transit oriented development package, and that he recognized the variety of opinions on Senate Bill 1237. Senator Allen informed those present that it was still a work in progress, and that he looked forward to more discussions on the package.

Bill McMaster, representing Taxpayers United Michigan, testified that land use issues were not germane to the transit-oriented development discussion because of a lawsuit that had gone to the Michigan Supreme Court regarding DARTA. DARTA was ruled unconstitutional because it created a new government with taxing power without the vote of the public.

Senator Allen stated that next week's hearing would continue work on the legislation that had testimony today, and that potentially the committee would hear additional testimony on the Aerotropolis package involving some new substitutes and amendments under consideration.

Senator Allen adjourned the committee 3: 22 p.m.

Respectfully Submitted,

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Lauren K. Michalak  
Committee Clerk

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Jason E. Allen  
Chairman

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Date Approved by Committee