

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

A meeting of the Senate Committee on Commerce and Tourism was held Thursday, November 9, 2010 at 8:00 a.m. in Room 100 of the Farnum Building.

The meeting was called to order at 8:08 a.m.

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

Members excused: None

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Senator Allen called the meeting to order.

Senators Allen, Stamas, Clarke and Hunter were present at the morning meeting.

Senator Stamas moved to adopt the minutes from the meeting held September 21, 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 November 4, 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 Senate Bills 1578 (Thomas) and 1579 (Jacobs).

Senator Thomas testified in explanation on both bills. Senator Thomas stated that the Detroit Institute of Art (DIA) is a premiere institution, and that since the 1990's its operating budget has declined yet it still maintained its collection. Senator Thomas explained that the bills would allow for a local operating millage to be passed by voters for the DIA, and would increase the rate allowable for the Detroit Zoo in Senate Bill 1579, and that both bills have regional support.

Gene Gargaro, representing the Detroit Institute of Art, testified in support of Senate Bill 1578. Mr. Gargaro, who is chairman of the Board of Directors, explained that the DIA was celebrating its 125<sup>th</sup> anniversary. Mr. Gargaro further explained that the DIA was seeking the authority to go to the public to help secure funding. The DIA has shrunk its operating budget from \$34 million to \$25 million in the last few years, and is currently running the museum at a 1/3 less.

Senator Stamas asked Mr. Gargaro if this bill would create a multi-county authority. Mr. Gargaro explained that there would be a separate authority created in each county, and that the funds would then be pooled. Senator Stamas further asked what would happen if some counties approve and some do not. Mr. Gargaro responded that there would be a reciprocal benefit for each county that does approve and that the board was working out just what that benefit would be for county residents.

Ron Kagan, representing the Detroit Zoological Society, testified in support of Senate Bill 1579. Mr. Kagan explained that since the public act which allowed for a millage to raise funds passed two years prior there have been vast improvements at the Detroit Zoo, including an increase in attendance. Mr. Kagan stated that each county had voted independently for the millage and passed it, but had any one county not approved, only those that passed the millage would receive the residence benefits. Mr. Kagan further explained that the first millage asked for a bare .1 mil, but that amount was now unable to sustain the zoo's costs, and Senate Bill 1579 would raise the cap to .2 mil, which would make it equal with the DIA's millage.

Senator Stamas asked for the current budget of the zoo, which Mr. Kagan stated was \$27 million. Mr. Kagan further explained that the initial millage at the .1 mil rate raised \$15 million, but that projections foresee it only raising \$9-10 million in future years. Raising the cap would give the zoo an additional \$9 million. Senator Stamas further asked about what benefits the residents of these counties receive. Mr. Kagan explained that the zoo worked with the county governments to determine which privileges the residents would want, which included discounts, seats on the board, and free seniors day. Mr. Kagan further explained that the City of Detroit was supposed to provide modest funding for the zoo, but due to their financial situation they are unable to do so.

Ken Osborne was asked to explain the bills. Mr. Osborne explained that Senate Bill 1578 creates the Detroit Institute of Art Authority, allowing them to levy a millage. The bill allows each county to individually create an authority, and it was modeled after the Detroit Zoo act. Senate Bill 1579 raises the cap for the Detroit Zoo's millage rate and sets it at .2 mil, which is equal to the amount the DIA can ask for.

Alan Helmkamp, representing Wayne County, supported Senate Bill 1578 and did not wish to testify.

Jack Cardinal, representing Senator Jacobs, supported both Senate Bill 1578 and 1579 and did not wish to testify unless needed.

Senator Clarke stated that these bills are necessary for the viability of the region, and that employers look for quality of life when locating a business in an area.

Senator Stamas stated that these institutions are a benefit not just to the region but to the entire state.

Senator Clarke further stated that he wished to commend the leadership of Senator Thomas on this issue and Mr. Gargaro for his skills.

Senator Clarke moved that Senate Bill 1578 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, Stamas, Clarke and Hunter (4/5)  
Nays: none (0)  
Pass: none (0)  
Excused: Senator Nofs (1)

Senator Hunter moved that Senate Bill 1578 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, Stamas, Clarke and Hunter (4/5)  
Nays: none (0)  
Pass: none (0)  
Excused: Senator Nofs (1)

Senator Clarke moved that Senate Bill 1579 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, Stamas, Clarke and Hunter (4/5)  
Nays: none (0)  
Pass: none (0)  
Excused: Senator Nofs (1)

Senator Hunter moved that Senate Bill 1579 be given immediate effect. 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, Stamas, Clarke and Hunter (4/5)  
Nays: none (0)  
Pass: none (0)  
Excused: Senator Nofs (1)

Senator Allen laid before the committee Senate Bill 1538 (Garcia).

Senator Allen stated that he appreciated the efforts of Senator Garcia on this issue as Senator Garcia came forth to testify.

Senator Garcia explained that the bill repeals the sunset on the Defense Contract Coordination Center. Senator Garcia stated that this would allow the Center to continue its work, which has been successful.

Jim McBryde, representing the Michigan Economic Development Corporation, testified in support of the bill, stating that the MEDC strongly supports the continuation of this program.

Senator Stamas moved that Senate Bill 1538 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, Stamas, Clarke and Hunter (4/5)

Nays: none (0)

Pass: none (0)

Excused: Senator Nofs (1)

Senator Hunter moved that Senate Bill 1538 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, Stamas, Clarke and Hunter (4/5)

Nays: none (0)

Pass: none (0)

Excused: Senator Nofs (1)

Senator Allen laid before the committee House Bill 5808 (Byrnes).

Ken Osborne explained that the bill would add Information Technology (IT) to the list of eligible programs in the Michigan Strategic Funds. Mr. Osborne explained that the S-1 substitute makes technical changes to the bill.

Ryan Sebolt, representing Rep. Byrnes, supported the bill and explained that the Representative felt that IT should be included in the list of eligible businesses.

Jim McBryde, representing the MEDC, supported the bill.

Senator Clarke moved to adopt the substitute (S-1) to House Bill 5808. 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, Stamas, Clarke and Hunter (4/5)

Nays: none (0)

Pass: none (0)

Excused: Senator Nofs (1)

Senator Stamas moved that House Bill 5808 (S-1) 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, Stamas, Clarke and Hunter (4/5)

Nays: none (0)

Pass: none (0)

Excused: Senator Nofs (1)

Senator Hunter moved that House Bill 5808 (S-1) 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, Stamas, Clarke and Hunter (4/5)

Nays: none (0)

Pass: none (0)

Excused: Senator Nofs (1)

Senator Allen laid before the committee House Bill 5566 (Robert Jones).

Ken Osborne explained that the bill revises the eligible activities under the brownfield act, and that the substitute makes the bill identical to a Senator George bill that passed out of committee earlier this year.

Monique Field, representing the City of Kalamazoo, supported the bill and did not wish to testify.

Andy Schor, representing the Michigan Municipal League and the City of Kalamazoo, supported the bill.

Senator Hunter asked whether Kalamazoo has a land bank. Ms. Field answered that the city does not.

Senator Clarke moved to adopt the substitute (S-1) to House Bill 5566. 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, Stamas, Clarke and Hunter (4/5)

Nays: none (0)

Pass: none (0)

Excused: Senator Nofs (1)

Senator Hunter moved that House Bill 5566 (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, Stamas, Clarke and Hunter (4/5)

Nays: none (0)  
Pass: none (0)  
Excused: Senator Nofs (1)

Senator Clarke moved that House Bill 5566 (S-1) 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, Stamas, Clarke and Hunter (4/5)  
Nays: none (0)  
Pass: none (0)  
Excused: Senator Nofs (1)

Senator Allen recessed the committee at the call of the chair at 8:40 a.m., with intentions to bring the committee back later in the afternoon.

Senator Allen reconvened the committee at 1:40 p.m. Senators Allen, Nofs, Clarke and Hunter were in attendance.

Senator Allen laid before the committee the Next Michigan Development Authority Act (Senate Bills 1079-1084, House Bills 5346-5351). Senator Allen stated that there were still some issues to be worked out on this package, but that he felt it was imperative to move the process along. Senator Allen stated that the goal of the meeting would be to move the Senate Bills while work continued on the package.

Ken Osborne testified to the content of each bill in the package. Mr. Osborne noted that the committee would be voting on all the Senate Bills except for Senate Bill 1080.

Stephanie Johnson, representing the International Union of Operating Engineers, supported the package and did not wish to testify.

Bret Marr, representing Oakland County, supported the package and did not wish to testify.

Alan Helmkamp, representing Wayne County, supported the package and did not wish to testify.

Bill McMaster, representing the Taxpayers United Michigan Foundation, wished to testify but was not present at the hearing.

Senator Hunter moved that Senate Bill 1079 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, Clarke and Hunter (4/5)

Nays: none (0)  
Pass: none (0)  
Excused: Senator Stamas (1)

Senator Nofs moved that Senate Bill 1079 be given immediate effect. 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, Clarke and Hunter (4/5)  
Nays: none (0)  
Pass: none (0)  
Excused: Senator Stamas (1)

Senator Clarke moved that Senate Bill 1081 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, Clarke and Hunter (4/5)  
Nays: none (0)  
Pass: none (0)  
Excused: Senator Stamas (1)

Senator Nofs moved that Senate Bill 1081 be given immediate effect. 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, Clarke and Hunter (4/5)  
Nays: none (0)  
Pass: none (0)  
Excused: Senator Stamas (1)

Senator Clarke moved that Senate Bill 1082 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, Clarke and Hunter (4/5)  
Nays: none (0)  
Pass: none (0)  
Excused: Senator Stamas (1)

Senator Clarke moved that Senate Bill 1082 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, Clarke and Hunter (4/5)  
Nays: none (0)

Pass: none (0)  
Excused: Senator Stamas (1)

Senator Hunter moved to adopt the substitute (S-1) to Senate Bill 1083. 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, Clarke and Hunter (4/5)  
Nays: none (0)  
Pass: none (0)  
Excused: Senator Stamas (1)

Senator Nofs moved that Senate Bill 1083 (S-1) 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, Clarke and Hunter (4/5)  
Nays: none (0)  
Pass: none (0)  
Excused: Senator Stamas (1)

Senator Clarke moved that Senate Bill 1083 (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, Clarke and Hunter (4/5)  
Nays: none (0)  
Pass: none (0)  
Excused: Senator Stamas (1)

Senator Hunter moved that Senate Bill 1084 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, Clarke and Hunter (4/5)  
Nays: none (0)  
Pass: none (0)  
Excused: Senator Stamas (1)

Senator Nofs moved that Senate Bill 1084 be given immediate effect. 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, Clarke and Hunter (4/5)  
Nays: none (0)  
Pass: none (0)  
Excused: Senator Stamas (1)

Senator Allen announced that committee was posted for the next day at 9:30 a.m., with plans to recess immediately. Senator Allen explained that the committee was posted in the event that it should become necessary to meet on an issue.

Senator Allen adjourned the committee 1:50 p.m.

Additionally posted on the agenda for the committee hearing was Senate Bill 1199. Though the committee did not take up the bill for discussion, the following testimony cards were submitted on the bill:

Amanda Radaz, representing the National Federation of Independent Business, supported the bill and did not wish to testify.

Scott Foustyn, representing the Bowling Centers Association of Michigan, supported the bill and did not wish to testify.

Charles Owens, representing the National Federation of Independent Business, supported the bill and did not wish to testify.

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