

# HOUSE BILL No. 4473

March 19, 2013, Introduced by Reps. Dillon, Cavanagh, Smiley, Talabi, Geiss, Durhal, Townsend, Darany, Lipton, Schor, Hovey-Wright, Switalski and Faris and referred to the Committee on Tax Policy.

A bill to amend 1986 PA 268, entitled  
"Legislative council act,"  
(MCL 4.1101 to 4.1901) by adding chapter 7C.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

CHAPTER 7C

SEC. 791. AS USED IN THIS CHAPTER:

(A) "COMMISSION" MEANS THE LEGISLATIVE TAX EXPENDITURE REVIEW COMMISSION ESTABLISHED IN THIS CHAPTER.

(B) "TAX EXPENDITURE" MEANS THE TAX CREDITS, DEDUCTIONS, AND EXEMPTIONS ENUMERATED IN 1979 PA 72, MCL 21.271 TO 21.296, AND ANY OTHER TAX CREDIT, DEDUCTION, OR EXEMPTION AS DETERMINED BY THE COMMISSION.

SEC. 792. (1) THE LEGISLATIVE TAX EXPENDITURE REVIEW COMMISSION IS CREATED WITHIN THE LEGISLATIVE COUNCIL.

(2) THE COMMISSION SHALL CONSIST OF THE FOLLOWING 5 MEMBERS:

1 (A) ONE MEMBER APPOINTED BY THE SPEAKER OF THE HOUSE OF  
2 REPRESENTATIVES WHO IS AN ECONOMIST ASSOCIATED WITH THE UNIVERSITY  
3 OF MICHIGAN.

4 (B) ONE MEMBER APPOINTED BY THE MINORITY LEADER OF THE HOUSE  
5 OF REPRESENTATIVES WHO IS AN ECONOMIST ASSOCIATED WITH MICHIGAN  
6 STATE UNIVERSITY.

7 (C) ONE MEMBER APPOINTED BY THE MAJORITY LEADER OF THE SENATE  
8 WHO IS AN ECONOMIST ASSOCIATED WITH MICHIGAN TECHNOLOGICAL  
9 UNIVERSITY.

10 (D) ONE MEMBER APPOINTED BY THE MINORITY LEADER OF THE SENATE  
11 WHO IS AN ECONOMIST ASSOCIATED WITH WAYNE STATE UNIVERSITY.

12 (E) ONE MEMBER JOINTLY SELECTED BY THE SPEAKER OF THE HOUSE OF  
13 REPRESENTATIVES AND THE MAJORITY LEADER OF THE SENATE WHO IS  
14 ASSOCIATED WITH THE UPJOHN INSTITUTE OR A SUCCESSOR ENTITY.

15 (3) THE MEMBERS FIRST APPOINTED TO THE COMMISSION SHALL BE  
16 APPOINTED WITHIN 60 DAYS AFTER THE EFFECTIVE DATE OF THE AMENDATORY  
17 ACT THAT ADDED THIS CHAPTER.

18 (4) MEMBERS OF THE COMMISSION SHALL SERVE FOR A TERM OF 3  
19 YEARS. A MEMBER OF THE COMMISSION SHALL DISCHARGE THE DUTIES OF HIS  
20 OR HER POSITION IN A NONPARTISAN MANNER, WITH GOOD FAITH, AND WITH  
21 THAT DEGREE OF DILIGENCE, CARE, AND SKILL THAT AN ORDINARILY  
22 PRUDENT PERSON WOULD EXERCISE UNDER SIMILAR CIRCUMSTANCES IN A LIKE  
23 POSITION.

24 (5) IF A VACANCY OCCURS ON THE COMMISSION, THE MEMBER SHALL BE  
25 REPLACED IN THE SAME MANNER AS THE ORIGINAL APPOINTMENT.

26 (6) THE FIRST MEETING OF THE COMMISSION SHALL BE CALLED BY THE  
27 SPEAKER OF THE HOUSE OF REPRESENTATIVES NOT LATER THAN 60 DAYS

1 AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS  
2 CHAPTER. THE MEMBER APPOINTED BY THE MAJORITY LEADER OF THE SENATE  
3 AND THE MEMBER APPOINTED BY THE SPEAKER OF THE HOUSE OF  
4 REPRESENTATIVES SHALL BE CO-CHAIRPERSONS OF THE COMMISSION. THE  
5 CHAIRPERSON POSITION SHALL ROTATE EACH MONTH BETWEEN THE CO-  
6 CHAIRPERSONS. THE MEMBER APPOINTED BY THE SPEAKER OF THE HOUSE OF  
7 REPRESENTATIVES SHALL BE THE CHAIRPERSON OF THE COMMISSION FOR THE  
8 FIRST MONTH. AT THE FIRST MEETING, THE COMMISSION SHALL ELECT FROM  
9 AMONG ITS MEMBERS OTHER OFFICERS AS IT CONSIDERS NECESSARY OR  
10 APPROPRIATE. AFTER THE FIRST MEETING, THE COMMISSION SHALL MEET AT  
11 LEAST MONTHLY, OR MORE FREQUENTLY AT THE CALL OF THE CHAIRPERSON  
12 FOR THAT MONTH OR IF REQUESTED BY 3 OR MORE MEMBERS.

13 (7) A MAJORITY OF THE MEMBERS OF THE COMMISSION CONSTITUTE A  
14 QUORUM FOR THE TRANSACTION OF BUSINESS AT A MEETING OF THE  
15 COMMISSION. A MAJORITY OF THE MEMBERS ARE REQUIRED FOR OFFICIAL  
16 ACTION OF THE COMMISSION.

17 (8) THE BUSINESS THAT THE COMMISSION MAY PERFORM SHALL BE  
18 CONDUCTED AT A PUBLIC MEETING OF THE COMMISSION HELD IN COMPLIANCE  
19 WITH THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275.

20 (9) A WRITING PREPARED, OWNED, USED, IN THE POSSESSION OF, OR  
21 RETAINED BY THE COMMISSION IN THE PERFORMANCE OF AN OFFICIAL  
22 FUNCTION IS SUBJECT TO THE FREEDOM OF INFORMATION ACT, 1976 PA 442,  
23 MCL 15.231 TO 15.246.

24 (10) MEMBERS OF THE COMMISSION SHALL SERVE WITHOUT  
25 COMPENSATION. HOWEVER, MEMBERS OF THE COMMISSION MAY BE REIMBURSED  
26 FOR REASONABLE AND NECESSARY EXPENSES INCURRED IN THE PERFORMANCE  
27 OF THEIR OFFICIAL DUTIES AS MEMBERS OF THE COMMISSION, SUBJECT TO

1 AVAILABLE APPROPRIATIONS.

2 (11) NOT LATER THAN DECEMBER 31, 2013, THE COMMISSION SHALL DO  
3 ALL OF THE FOLLOWING:

4 (A) REVIEW, INVESTIGATE, AND COLLECT INFORMATION REGARDING TAX  
5 EXPENDITURES.

6 (B) EVALUATE EACH TAX EXPENDITURE AND DETERMINE WHETHER EACH  
7 TAX EXPENDITURE IS GENERATING A GOOD RETURN ON INVESTMENT AS  
8 DETERMINED BY THE COMMISSION.

9 (C) DETERMINE WHICH TAX EXPENDITURES SHOULD BE CONTINUED,  
10 MODIFIED, OR REPEALED.

11 (12) NOT LATER THAN OCTOBER 1, 2014, THE COMMISSION SHALL MAKE  
12 SPECIFIC DETERMINATIONS OF THE ITEMS DESCRIBED IN SUBSECTION (11)  
13 AND REPORT THOSE DETERMINATIONS TO EACH HOUSE OF THE LEGISLATURE  
14 AND THE GOVERNOR.