

No. 28
STATE OF MICHIGAN
Journal of the Senate
98th Legislature
REGULAR SESSION OF 2015

Senate Chamber, Lansing, Thursday, March 19, 2015.

10:00 a.m.

The Senate was called to order by the President, Lieutenant Governor Brian N. Calley.

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

Ananich—present
Bieda—present
Booher—present
Brandenburg—present
Casperson—present
Colbeck—present
Emmons—present
Green—present
Gregory—present
Hansen—present
Hertel—present
Hildenbrand—present
Hood—present

Hopgood—present
Horn—present
Hune—present
Johnson—present
Jones—present
Knezek—present
Knollenberg—present
Kowall—present
MacGregor—present
Marleau—present
Meekhof—present
Nofs—present
O'Brien—present

Pavlov—present
Proos—present
Robertson—present
Rocca—present
Schmidt—present
Schuitmaker—present
Shirkey—present
Smith—present
Stamas—present
Warren—present
Young—present
Zorn—present

Pastor Justin Powell of NorthRidge Church of Plymouth offered the following invocation:

God, we thank You for a new day. We take this moment to acknowledge You and acknowledge that even as we go about this daily routine, there's something bigger going on than just what is seen and heard.

God, thank You for these leaders. With everything else they could have done with their lives, with their talents and their passions, they've chosen to serve others. So I pray a special blessing on them and the families and communities they represent.

God, even in the midst of their service, I know life happens, and there may be some today who are being asked to work and lead through pain, loss, fear, or frustration. God, for those battling through unspoken trials this moment, please give them an undeniable sense that You are close, You care, and You are available.

God, for all of our Senators and for each staff member, help them to lead well. God, where they are conflicted, give them clarity. Where they are experiencing stress, give them peace. When they are moved to speak or take action, help them to do so with confidence and courage.

God, may the leaders of this state be better together than they are apart, and may this great state be even greater because of the work done here today. Amen.

The President, Lieutenant Governor Calley, led the members of the Senate in recital of the *Pledge of Allegiance*.

Motions and Communications

Senator Knezek entered the Senate Chamber.

Senator Kowall moved that Senators Knollenberg and Green be temporarily excused from today's session. The motion prevailed.

Senator Hood moved that Senators Ananich and Johnson be temporarily excused from today's session. The motion prevailed.

The following communication was received and read:
Office of the Auditor General

March 17, 2015

Enclosed is a copy of the following audit report:

Report on internal control, compliance, and other matters of MEDC for the fiscal year ended September 30, 2014.

Sincerely,
Doug Ringler
Auditor General

The audit report was referred to the Committee on Government Operations.

The Secretary announced that the following House bills were received in the Senate and filed on Wednesday, March 18:
House Bill Nos. 4038 4188 4189 4190 4289

The Secretary announced that the following bills were printed and filed on Wednesday, March 18, and are available at the Michigan Legislature website:

Senate Bill Nos. 208 209 210 211 212 213 214 215
House Bill Nos. 4346 4347 4348 4349 4350 4351 4352

Senators Knollenberg, Ananich and Green entered the Senate Chamber.

Messages from the Governor

The following message from the Governor was received on March 18, 2015, and read:

EXECUTIVE ORDER
No. 2015-10

**Creation of the
Michigan Agency for Energy**

**Department of Environmental Quality
Department of Licensing and Regulatory Affairs
Department of State Police
Michigan Economic Development Corporation
Michigan Strategic Fund**

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; and

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 he considers necessary for efficient administration; and

WHEREAS, there is a continued need to increase collaboration, optimize service delivery, and ensure efficient administration; and

WHEREAS, Michigan's energy future requires making long-term decisions that are adaptable, affordable, reliable, and environmentally protective; and

WHEREAS, such decision-making will be best informed if experts in each area are working closely together and ensuring their efforts are efficient and effective;

NOW, THEREFORE, I, Richard D. Snyder, Governor of the state of Michigan, by virtue of the powers and authority vested in the Governor by the Michigan Constitution of 1963 and Michigan law, order the following:

I. DEFINITIONS

As used in this Order:

A. "Agency" means the Michigan Agency for Energy created under Section II of this order.

B. "Department of Environmental Quality" means the principal department of state government created under Executive Order 2011-1.

C. "Department of Licensing and Regulatory Affairs" 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, renamed the Department of Labor and Economic Growth under Executive Order 2003-18, MCL 445.2011, renamed the Department of Energy, Labor, and Economic Growth under Executive Order 2008-20, MCL 445.2025, and renamed the Department of Licensing and Regulatory Affairs under Executive Order 2011-4, MCL 445.2030.

D. "Department of State Police" means the principal department of state government created under Section 150 of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.250.

E. "Executive Director" means the executive director of the Agency.

F. "Michigan Economic Development Corporation" means the public body corporate created under the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual interlocal agreement effective April 5, 1999, as amended, between the Michigan Strategic Fund and local participating economic development corporations formed under the Economic Development Corporations Act, 1974 PA 338, MCL 125.1601 to 125.1636.

G. "Michigan Strategic Fund" means the public body corporate and politic created under Section 5 of 1984 PA 270, MCL 125.2005.

H. "Public Service Commission" means the public body corporate created under the Michigan Public Service Commission Act of 1939, PA 3, MCL 460.1 et seq., as amended, located within the Department of Licensing and Regulatory Affairs.

I. "State Budget Director" means the individual appointed by the Governor pursuant to Section 321 of the Management and Budget Act, 1984 PA 431, MCL 18.1321.

II. CREATION OF THE MICHIGAN AGENCY FOR ENERGY

A. The Michigan Agency for Energy is created as an agency within the Department of Licensing and Regulatory Affairs. The Agency shall exercise its prescribed powers, duties, and functions independently of the Director of the Department of Licensing and Regulatory Affairs.

B. The Agency shall be headed by an Executive Director who shall be appointed by the Governor and serve at the pleasure of the Governor. The Executive Director shall serve as a member of the Governor's Cabinet.

C. The Executive Director shall be the chief advisor to the Governor and the directors of state departments regarding the development of energy policies and programs.

III. FUNCTIONS OF THE AGENCY

A. The Agency shall perform the following functions:

i. Analyze and make recommendations to the Governor on proposed programs and policies relating to energy, and on the elimination of duplication in existing state programs in these areas;

ii. Directly administer certain programs related to energy, and serve as the coordinating office for all agencies of the executive branch of government that are responsible for programs related to energy; and

iii. Provide information and assistance to all departments and agencies of the executive branch of government related to energy, both directly and by functioning as a clearinghouse for information received from such agencies, other branches of government, other states, and the federal government.

B. The Agency may make and execute contracts and other instruments necessary or convenient to the proper exercise of its functions.

IV. TRANSFER OF MOTOR CARRIER AUTHORITIES

A. Any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, of the Public Service Commission, Department of Licensing and Regulatory Affairs, under the following acts are transferred from the Public Service Commission, Department of Licensing and Regulatory Affairs, to the Michigan State Police:

- a. Motor Carrier Act, P.A. 254 (1933), as amended, being Michigan Compiled Laws, MCL 475.1 to 479.49;
- b. Carriers by Water Act, P.A. 246 (1921), as amended, being Michigan Compiled Laws, MCL 460.201 to 460.206; and
- c. Motor Carrier Safety Act, P.A. 181 (1963), as amended, being Michigan Compiled Laws, MCL 480.11 to 480.25.

B. Any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, used, held, employed, available, or to be made available to the Public Service Commission, Department of Licensing and Regulatory Affairs for the activities, powers, duties, functions, and responsibilities transferred by this Order are transferred to the Michigan State Police.

C. The Director of the Michigan State Police, after consultation with the Public Service Commissioners and the Director of the Department of Licensing and Regulatory Affairs, shall provide executive direction and supervision for the implementation of the transfers. The assigned functions shall be administered under the direction and supervision of the Director of the Michigan State Police.

D. Any authority, powers, duties, and functions relative to the final agency decisions for cases arising under the authorities transferred under this section of this Order are transferred from the Public Service Commission, Department of Licensing and Regulatory Affairs, to the Director of the State Police.

V. TRANSFER OF RETIRED ENGINEERS TECHNICAL ASSISTANCE PROGRAM AND AIR POLICY PROGRAM

A. Any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, of the Department of Environmental Quality under the Retired Engineers Technical Assistance Program, created under MCL 324.14511 and 324.14512, as amended, are transferred from the Department of Environmental Quality to the Michigan Agency for Energy, Department of Licensing and Regulatory Affairs.

B. Any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, of the Air Policy Director of the Department of Environmental Quality, are transferred from the Department of Environmental Quality to the Michigan Agency for Energy, Department of Licensing and Regulatory Affairs.

C. The Executive Director, after consultation with the Director of the Department of Environmental Quality and the Director of the Department of Licensing and Regulatory Affairs, shall provide executive direction and supervision for the implementation of the transfers. The assigned functions shall be administered under the direction and supervision of the Executive Director.

VI. TRANSFER OF THE MICHIGAN ENERGY OFFICE

A. Any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, of the Michigan Energy Office, are transferred from the Michigan Economic Development Corporation and the Michigan Strategic Fund to the Department of Licensing and Regulatory Affairs. Such funds shall include the Energy Efficiency and Renewable Energy Revolving Loan Fund, MCL 460.911 to 460.913, as amended.

B. Any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, of the Michigan Energy Office, are transferred from the Department of Licensing and Regulatory Affairs to the Michigan Agency for Energy, Department of Licensing and Regulatory Affairs.

C. The Executive Director, after consultation with the Chief Executive Officer of the Michigan Economic Development Corporation and the President of the Michigan Strategic Fund, shall provide executive direction and supervision for the implementation of the transfers. The assigned functions shall be administered under the direction and supervision of the Executive Director.

VII. RELATIONSHIP OF AGENCY AND MICHIGAN PUBLIC SERVICE COMMISSION, AND TRANSFER OF CERTAIN FUNCTIONS

A. The Public Service Commission shall be transferred intact from the Department of Licensing and Regulatory Affairs to the Michigan Agency for Energy.

B. The Public Service Commission shall exercise its functions as an autonomous entity independently from the Director of the Department of Licensing and Regulatory Affairs and the Executive Director of the Agency, as further described

in this Order. Unless expressly stated otherwise in this Order, the Public Service Commission shall retain all of its statutory authority, powers, duties, functions, and responsibilities, including records, personnel, budgeting, procurement, and unexpended balances of appropriations. The powers, duties, and functions related to property are transferred to the Agency. The Public Service Commission shall retain control of all monies and funds, including but not limited to grants, bonds, notes, and reserves, subject to any agreements related to such grants, bonds, notes or reserves. Nothing in this Order shall be interpreted to infringe on the plenary powers of the Public Service Commission to regulate all rates, fares, fees, charges, services, rules, conditions of service, and all other matters pertaining to the formation, operation, or direction of public utilities, common carriers, or similar entities. The Commission shall retain the sole power and jurisdiction to hear and pass upon all matters pertaining to, necessary, or incidental to the regulation of public utilities, common carriers, or similar entities. It shall also retain all power to retain engineers, experts, and related personnel, and fix their compensation to assist it in such duties as provided under current law.

C. The legislative liaison and communications specialist of the Public Service Commission shall be transferred to the Agency. However, the Commission may request the services of either individual to advise the Public Service Commission regarding legislative matters and to communicate with the public regarding its plenary authorities, and the Executive Director shall ensure such personnel will provide the requested services to the Commission. When performing duties requested by the Commission, such individuals shall be considered Commission staff and supervision of those tasks shall be by the Commission.

D. Any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, of the customer service division, and the Energy Markets and Energy Data & Security sections of the Public Service Commission shall be transferred to the Michigan Agency for Energy, Department of Licensing and Regulatory Affairs. Additionally, one position supporting human resource functions and any positions dedicated to property functions in the administration section shall be transferred from the Public Service Commission to the Agency. Notwithstanding any of the above, those priorities, powers, duties, and functions that are within the plenary powers described in Section VII.B. of this Order shall remain with the Public Service Commission and shall not be subject to transfer. When undertaking activities necessary to carry out plenary powers, individuals shall be considered Commission staff and supervision of those tasks shall be by the Commission.

E. The Executive Director, after consultation with the Chair of the Public Service Commission and the Director of the Department of Licensing and Regulatory Affairs, shall provide executive direction and supervision for the implementation of the transfers. The assigned functions shall be administered under the direction and supervision of the Executive Director

VIII. TRANSFER OF ENERGY ADVISORY COMMITTEE AUTHORITIES

A. Any authority, powers duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement related to the duties of the Director of Licensing and Regulatory Affairs created under MCL 10.82, and now residing in the Director of the Department of Licensing and Regulatory Affairs under Executive Orders 2008-20 and 2011-4, shall be transferred to the Executive Director of the Agency.

B. The Executive Director, after consultation with Director of the Department of Licensing and Regulatory Affairs, shall provide executive direction and supervision for the implementation of the transfers. The assigned functions shall be administered under the direction and supervision of the Executive Director.

IX. IMPLEMENTATION OF TRANSFERS

A. The Executive Director shall provide executive direction and supervision for the implementation of all transfers of authority under this Order in consultation with the Director of the Department of Licensing and Regulatory Affairs.

B. The Executive Director shall establish the internal organization of the Agency and allocate and reallocate duties and functions to promote economic and efficient administration and operation of the Agency. The Executive Director shall be responsible for the day-to-day operations of the Agency.

X. MISCELLANEOUS

A. All records, personnel, and property used, held, employed, or to be made available to the Department of Licensing and Regulatory Affairs, the Michigan Economic Development Corporation, the Michigan Strategic Fund, and the Department of Environmental Quality for the activities, powers, duties, functions, and responsibilities transferred by this Order to the Agency are hereby transferred to the Agency.

B. All records, personnel, and property used, held, employed, or to be made available to the Public Service Commission for the activities, powers, duties, functions, and responsibilities transferred by this Order to the Michigan State Police are hereby transferred to the Michigan State Police.

C. The State Budget Director shall determine and authorize the most efficient manner possible for the handling of financial transactions and records in the state's financial management system for the remainder of the current state fiscal year for transfers made under this Order.

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

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

F. 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 of Section 2 of Article V of the Michigan Constitution of 1963, this Order shall be effective 60 days after the filing of this Order.

[SEAL]

Given under my hand and the Great Seal of the state of Michigan this 18th day of March, in the Year of our Lord Two Thousand Fifteen.

Richard D. Snyder
Governor

By the Governor:
Ruth A. Johnson
Secretary of State

The executive order was referred to the Committee on Government Operations.

The following message from the Governor was received and read:

March 13, 2015

Attached is a copy of my Special Message on Energy to the Regular Session of the 98th Michigan Legislature. This message transmitting information on the affairs of state and recommending measures I consider necessary and desirable is presented to the Michigan Senate pursuant to Section 17 of Article V of the Michigan Constitution of 1963.

Sincerely,
Rick Snyder
Governor

The special message is as follows:

Introduction

Michigan needs to take aggressive steps to avoid a future of spiking energy prices and widespread power outages.

In the last two years, we have laid the groundwork for a bright energy future for Michigan. We have gathered key information and met with residents all over the state to learn about our options. We set clear goals for Michigan's energy future.

We knew our energy must be affordable for our homes and businesses - for instance, residential bills for heat and electricity should not be higher than the national average. We looked to ensure that people could rest easily, knowing there would be dependable heat and electricity to power their homes. Specifically, we said that we should not have widespread outages due to a lack of supply, and that our residents should endure less than one outage a year on average, and that our outages should average less than two hours and 15 minutes. We sought to make sure we had options so our state could draw energy from a variety of sources, able to adapt as technology developed reliable and efficient alternatives. We said that the newest technological advances that will be right for Michigan are in natural gas and renewable generation. And we made it a priority to protect our environment for the generations to come, reducing mercury, acid rain, and particles in the air.

We've made real progress since 2012. We met the 11th most aggressive renewable portfolio standard in the nation, and we did so under budget - in some cases, at no additional cost compared to other energy sources. We were able to do that for a lot of reasons. Our standard encouraged collaboration, so we had access to people familiar with the newest technologies. We saw huge price reductions in even the last five years as we took advantage of those new technologies - better towers, better blades, and better electronics all meant better prices for Michiganders in the wind space, which has been our least expensive resource to date. In another success story, we established both utility and non-utility programs to reduce energy waste that are delivering measureable and very cost-effective results. In fact, our energy waste elimination is coming in at about a third the cost of what we would pay to generate that power. There is an awful lot of coal and natural gas we never had to burn, and that is only one way we managed to save so much money. We have proposed an energy code that will reduce new building energy usage by at least 25 percent.

I could keep listing good things that have happened, but we are here today because we have a lot more to do.

Our mission is to build a foundation of adaptability - that means that regardless of what the future holds, our energy system will be able to support all our needs at a reasonable price. Our efforts should be focused on ensuring our energy infrastructure can keep up with the demands of a growing economy. We need to ensure Michigan's future energy decisions are made in Michigan. We need to make sure that when we make those decisions, we have the right process to ensure the decisions focus on the pillars of a strong energy future: affordability, reliability, and protection of the environment.

Now it is time to propose a plan that will see Michigan through at least the next 10 years of energy decision-making. During those next 10 years, Michigan will have to solve a shortage of electric generation. It will likely have to do that while complying with new federal regulations on carbon emissions. Our economy is expected to grow, and our

infrastructure and natural assets will become even more important to our future. Ten years is near enough to have a good idea of the challenges we will face, and long enough to take concrete steps to secure our energy future.

Affordability

Eliminating waste - investing in our homes and businesses - is vital to meeting our affordability goals.

Michiganders pay more than the national average for the energy that powers, warms and cools their homes right now. That needs to change. The first and best thing we must do to change that is to help our homes and businesses eliminate waste. When you can get the same result for less money by upgrading your home or business, that's a win-win-win solution for Michigan.

In 2009, Michiganders used 38 percent more energy—heating plus electricity—than the national average. Our average bills were 6 percent above national average. We can lower those bills.

There is a lot going on in those numbers. Our climate requires us to use more energy heating our homes than we do cooling them, unlike other parts of the country. Our natural gas price is one of the 10 lowest in the country, and that is used to heat the vast majority of homes in Michigan. That is why we use so much more energy than average, but our overall spending is a lot closer to average.

But people in their homes and businesses can do better just by eliminating energy waste, and we have reason to think we have some big opportunities there. First, Michigan homes tend to be smaller and older than the national average, which means they should take less energy to heat and cool if they are properly insulated and have heating and air conditioning systems that are reasonably up to date. That means we have a big opportunity to hold down our costs by helping our neighbors do the same. When we need to build a plant or burn some coal, that shows up on all our bills. Our current program that utilities use to reduce waste has been so successful that we have spent about a third of the money we would have otherwise on coal, gas, or facilities. In other words, we saved two-thirds of our dollars, and did so while making Michiganders homes and businesses more comfortable and their bills lower. Why wouldn't we do more of that?

■ Call to action: We should meet at least 15 percent more of Michigan's energy needs in the next decade by eliminating energy waste.

We know that an energy shortage will come if we do nothing. The more energy we need, the more we have to build, and building gets expensive. The best way to avoid those large expenses is to reduce that demand when it makes good economic sense. We know it does make a lot of economic sense for Michigan to reduce energy waste. The 15 percent goal comes from the reports that were prepared by the Michigan Public Service Commission and the Michigan Economic Development Corporation. That figure is actually conservative, as it represents carrying out only half of the projects that already pay for themselves.

Here are some examples of ways Michiganders are already reducing energy waste in these programs:

- Insulating or caulking windows to keep drafts from stealing away our heat.
- Replacing old furnaces and water heaters so that we can be just as comfortable for a lot less money.
- Getting newer seals on the big freezers and refrigerators in convenience and grocery stores.
- Replacing older industrial equipment with newer technologies that create a better price-per-piece.

We do have a lot of variation in the amount of waste that can be eliminated across the state. Some utilities cover a large number of vacation homes that are unoccupied during the winter. Insulating them won't produce much energy savings. Other utilities serve large areas with thousands of mercury street lights that are twice as expensive to operate as newer, brighter LED technologies, older homes that are occupied year-round and could be much more comfortable if they were better insulated, and a large number of industrial operations that could become much more competitive if they had access to the expertise and capital necessary to capture those savings. Those are opportunities for save we can't pass up.

Michigan needs to change its attitude from seeing waste elimination as a nice-to-have add-on and see it as the cornerstone for Michigan's next energy policy.

■ Call to action: We need to eliminate artificial limits to the amount of waste reduction that utilities do. Right now, our law prevents utilities from spending more than 2 percent of their budget on waste reductions, even if that forces them to buy more expensive equipment instead.

■ Call to action: We need to make sure our Public Service Commission can weigh the benefits of energy waste reductions in the same way it can weigh other kinds of expenses.

■ Call to action: We need to break out of the thinking that says the only compensation for waste reduction programs is to offset a loss, and instead make our smartest option a place where utilities want to invest. Capital invested in stopping energy waste should not be less valuable than capital invested in a new plant.

Working families and seniors on a fixed income might want to insulate or install a better furnace, but don't have the up-front money to do it. Or, someone might be a renter that pays utilities and would benefit from the lower bill, but doesn't own the house. On-bill financing can be a key tool to address these kinds of situation - and 30 other states are taking advantage of it. Such plans would allow utility payers to take measures that reduce their waste, and pay for them over time as part of their electric bill. In other words, someone could essentially borrow the money to improve the furnace, and pay it back out of their monthly bill. Their bill doesn't go up, because of the energy savings. When they are done paying it off, their bill drops.

This can be a great tool for lots of Michiganders. Renters who want to make an investment to keep their utilities bill down have a way to do it. A senior citizen who knows their home could be more comfortable but doesn't know how long they will be in the home can make the change and know they will only pay for as much as they use. Last year the Legislature and I worked as partners to allow municipal utilities to offer these programs.

■ Call to action: We should continue our good work on this issue, and repeal the on-bill financing ban for other utilities.

There is one more big reason Michigan should be a leader in this area. Michigan has companies that design more efficient building materials, appliances, and machinery. We build many of these items here, too. Other Michiganders install these technologies and materials in Michigan homes and businesses. This is a perfect example of an opportunity to build on existing leadership the state has in connecting Michigan businesses to each other. It is the right thing to do for energy costs, and the right thing to do for Michigan businesses and Michigan jobs. We cannot let this opportunity pass us by.

In every possible scenario, the elimination of energy waste is the right answer for Michigan. It enhances our reliability, as the only kind of energy that never strains the grid is the energy you don't use. It is the best thing we can do for affordability; the cheapest energy is the energy you don't use. It is the best thing we can do for environmental protection; the cleanest energy is the energy you don't use. And it allows our businesses and residents to save money by supporting each other.

Eliminating energy waste is only the place to start.

■ Call to action: When utilities propose big-dollar investments, we need to make sure those investments will keep down costs, provide reliability, and protect our environment.

Utilities make a lot of investments - sometimes in new plants, sometimes in big upgrades to existing plants, and sometimes in operation, maintenance, and long-term purchase contracts. In 2008, we took a big step forward by saying investing new plants should have to be compared to other possible alternatives before pre-approval would be given. We need to expand that to all large investments.

We can protect our affordability by making decisions that take into account many possible futures. That includes making sure that Michigan's Public Service Commission has the power to require the cost of all alternatives be determined for the short and long term. Those alternatives also should be put through tests to determine the impact on reliability, our environment, and long-term regulatory compliance, and only the best alternative should be funded.

That is why we must get the right expertise asking the right questions. Michigan has the opportunity to be a nationwide leader in designing such a process; we should do that now.

We know that for some businesses, energy costs are not just one of many important costs, but one of their biggest expenses. Larger industrial customers that shaping metal in some way - like a steel-maker or a metal melter - are examples. On the agricultural side, some greenhouse operations also spend a large percentage of their budget on energy. We need to make sure that such businesses are able to choose Michigan, because they are a crucial part of our economic future. These are job creators that have a choice of where to locate. In order for the rest of our economy to build on a strong base of advanced manufacturing, we must be able to make sure such businesses can locate in Michigan and be competitive.

We need to adhere to our cost-of-service principles for all classes, meaning no one should be subsidizing others. Under legislation passed last year, the Public Service Commission is already looking at ensuring that rates properly reflect cost-of-service in most of lower Michigan.

But there is more we can do. These are many users that are motivated to work to control their own costs and destinies—if given the tools to do so. For instance, we have seen a lot of success through the metal melting rate that Consumers Energy offers, which has as a major component pricing to encourage use during off-peak hours. We also need to encourage other voluntary “peak shaving” activities by energy users. Even small changes at the right time may have outsize benefits.

■ Call to action: Some energy users, especially energy intensive industries, may be able to manage their energy use to go down when the grid starts to get strained, which will hold down costs and lower risks for everyone. We should make sure that we both create an opportunity and a reward for them to partner with our utilities to capture that savings.

Reliability

Michigan needs to do more to keep providing reliable electric and gas service.

Michigan residents and businesses need to know that when they flick the switch or twist the dial, they will have electricity and heat.

Just a few days after I announced my reliability goals in 2012, many Michiganders endured the hardship of spending several days without electric power. We have had a lot of extreme weather in the last two years that was hard on our electrical system - ice storms, heavy winds - and that has made us look at all the steps we need to take to make sure that we get better about protecting ourselves from outages.

People can't get things done when the power goes out. Many of our businesses can't function without power. Our schools close and parents must leave work to pick up their children. There also is a human element to outages that we can't forget. Dialysis centers have to find somewhere else that can provide lifesaving treatment. A lack of air conditioning on a hot day is life-threatening to our seniors.

Michigan set goals last year of being leaders in reliability - meaning ensuring that both we don't have as many outages, and they don't last as long. The goals we set would mean that Michiganders would experience less than one outage a year, and that it would be over in about the time of a competitive college basketball game - less than two and half hours. For

instance, in 2011, the average number of outages a year per customer was 1.13 (a little more than one a year). Today, it is 0.8 - meaning most Michiganders won't experience a sustained outage this year. But we still have more to do.

I commend the Public Service Commission for setting aggressive goals in this area and working to encourage more measures that are already bearing fruit, and for our utilities and grid owners for responding.

Taking advantage of new technologies can also give us opportunities to prevent and fix outages much more easily than in the past. Until very recently, if your power went out, the utility did not know it until you called. Our utilities had to figure out what likely broke by how many people called, and where they were located. Now, with newer technologies, utilities can immediately see a problem and know what needs to be sent to the site to fix it.

■ Call to action: Michigan needs to complete plans to deploy smart meters that help utilities locate outages and restore power more quickly.

The deployment of smart meters might be the best thing we ever do for reliability. That deployment should be complete in our two largest utilities in the next three years, and I know the commission has been working with utilities to accelerate the effort.

■ Call to action: Michigan needs to continue investing in infrastructure and maintenance to keep our power grid and pipeline system working smoothly and safely.

The PSC has taken other steps to ensure reliability as well. It has pushed for more investment in tree trimming and challenged our utilities to step up their game on other infrastructure and maintenance activities that help keep our grid reliable. It's working. The average number of power interruptions has been declining in Michigan since 2011.

On the natural gas side, the commission took advantage of record-low gas prices to encourage utilities to replace our aging natural gas pipelines - especially those that are made of cast iron. For too long, we neglected our pipelines and recently, we have seen a quadrupling of leaks for some of our largest gas utilities compared to a decade ago. These programs are the right thing to do and must be continued, and accelerated as much as is economically feasible.

■ Call to action: We must change our electric market structure to ensure all electric providers are protecting their customers from massive outages due to lack of supply.

An electric grid is a unique, gigantic machine that makes the market for electricity unlike all other economic markets. In most markets, if there is a shortage, some customers get the materials and some don't. But with electricity, if you can't get the electrons to the last light switch that flips "on," then the grid fails and no one gets power. We've seen this happen in Michigan before. In 2003, much of lower Michigan experienced a massive outage and the Upper Peninsula remembers a similar problem when the Presque Isle Power Plant flooded out.

The Midcontinent Independent Systems Operator - MISO - is charged with making the interstate electric grid operate smoothly. MISO says the majority of lower Michigan is facing a 3 gigawatt shortfall of generation that can be called on to keep the grid from failing. That is about the size of our two largest nuclear plants - Cook and Fermi - put together. And that doesn't count the needs of the UP, which needs another plant built in the next five years. We've already taken some actions to fill that gap - but we aren't done yet addressing that gap, and we will need to do more almost every year for the next decade to fill that gap.

Michigan's risk of devastating outages is serious and growing. No large-scale grid operator in the country has a more serious risk than MISO, and no place in MISO has a shortage nearly as big as Michigan's.

If we don't solve that problem, Washington D.C. will solve it for us - and we will not like its solutions. We know this from what we are dealing with in the Upper Peninsula right now.

■ Call to action: We need to act now to make sure we have the tools to solve our own problems and keep decision-making in Michigan, not in Washington D.C.

It is pretty clear that we have to make a lot of decisions - expensive decisions - in the coming years. And we have recently learned how important it is to take action in order to protect our ability to make those decisions here in Michigan. We know that if we don't get plants built in Michigan that we need, the federal government will essentially take over setting our electric rates and planning our energy future. And we know from experience that the "solution" imposed on us will not feature adaptability, affordability, reliability, or protection of the environment.

Consider what happened to the Upper Peninsula in the last year.

When the utility that owned a coal plant announced it didn't need it anymore, the people who run our interstate electrical grid for most of Michigan, a group called MISO, said the plant had to be kept operating for reliability. MISO doesn't normally get into the economics of running actual plants; that is usually done at the state level. But when there is a potential for the grid to collapse and leave everyone without electricity, it can step in. MISO entered into a private agreement with the utility that meant Michigan ratepayers were now going to have to pay almost \$100 million a year until new electric lines could be built - something that takes at least 5 years, even if done expeditiously.

Michigan's Public Service Commission said that amount was way too high - it meant as much as an overnight 20 percent increase in some bills. That's approximately \$120 a year extra for the hardest-hit residential customers, many of whom are on fixed incomes. That's the kind of rate hike businesses can't plan for and absorb. The Federal Energy Regulatory Commission imposed the rate hike anyway, saying that even though those rates might be unjust and unreasonable, it would be sorted out later.

Let's think about the "solution" we were buying for all that money - keeping an old coal plant limping along while we spent more than a half a billion dollars on upgrading the system to bring out-of-state energy—mostly coal-generated—into Michigan. It would leave our reliability in a worse position than building a plant, it would be less affordable than building a plant, and it would be worse for the environment than building a new, natural gas plant that is designed to reduce energy waste by selling steam.

That's just not what Michiganders call a solution. So in January, we were able to announce a series of likely transactions that would provide for an orderly retirement - without millions of additional dollars in MISO-imposed payments—of the Presque Isle Power Plant (PIPP) and construction of a combined heat and power plant.

Today, I am announcing that the transactions have changed slightly, but overall, the outcome is still very positive for U.P. residents. Despite the best efforts of the Upper Peninsula Power Company and Cliffs Natural Resources, they were unable to come to terms on a contract for service. However, WE Energies has now agreed to provide service without seeking extra system support revenues, and Cliffs has agreed to remain with WE Energies until the new plant can be built. Just as before, the new plant to replace PIPP will be constructed no later than 2020, and will be supported by a series of business agreements. We look forward to working with legislative partners and the utilities to further cement Michigan's energy independence, by enabling the creation of Michigan-only utilities when that is in the ratepayers' best interest.

■ Call to action: Finalize the transactions that will solve the U.P. power crisis.

I am proud to say that we still believe a long-term solution for the U.P.'s current energy crisis will be in place this year. We solved the problem, because that is what Michiganders hired us to do. But it is not going to be a way we can keep solving this problem, and this problem is set to hit the Lower Peninsula in a big way.

The same day FERC issued orders that imposed unreasonable costs in the Upper Peninsula; it issued another order to one of Michigan's biggest utilities, Consumers Energy. Consumers Energy plans to retire at least seven coal plants next year. It doesn't just plan to - it has a court order requiring it to do so for environmental compliance. But when Consumers Energy asked the FERC for permission to retire those plants, FERC didn't simply approve their request. Instead, FERC demanded more information on the impact those closings would have on others, suggesting the company could be placed in an impossible position: conflicting federal orders both to keep the plants running and to close them.

This time, after a lot of additional information, the FERC agreed the plants could be closed. But what happens next time, when the Lower Peninsula has a plant that the grid needs but the utility wants to close because it doesn't make economic sense to run it?

If we don't have the ability to make some good decisions now, our future will be decided in years of Washington bureaucratic wrangling and court cases.

■ Call to action: Prevent the Lower Peninsula from developing the same crisis the U.P. is living through by reforming our electrical market to require every electric provider to protect its customers.

We are facing a crisis because of a shortage of plants once coal plants begin retiring next year. These plants are being retired for two main reasons. First, our coal fleet is on average more than 50 years old, so many of the facilities just aren't efficient to run anymore. Second, there are some EPA regulations that are going to come into effect in the near future that will mean at least nine coal plants in lower Michigan, plus PIPP, will need to retire because they are too expensive to upgrade to meet the new standards.

This projected shortfall does not take into account any additional federal requirements that are currently proposed; it is the result of regulations that have already survived years of court challenges and are undoubtedly coming. We know at least 10 plants in Michigan will retire in the coming years. It could be more.

We cannot fix this without changing the way we structure our market. We need to give our regulators the power to determine when we may face a shortage, and tools to address it when we do. Without that, we cannot be adaptable. We also need to make sure that every company that sells energy in Michigan is protecting its customers from unpredictable price spikes due to a lack of generation or import ability. We can fix our electric capacity problem without forcing customers to change electric providers. But we can't fix our electric capacity problem until every electric provider has an equal responsibility to ensure that the plants or transmission lines their customers rely on will be there. Right now, we know we have a problem coming on that front. We need to require everyone selling power in Michigan to be part of solving that problem.

We can solve this problem without getting rid of retail open access - sometimes called choice—for those businesses that have already made plans and commitments to get their power from an alternative electric supplier. But we can only solve this problem if that choice is a fair choice. In Michigan, any company that sells you life insurance has to show the state that they have enough reserves to make good on the policy they are selling. It's only fair to make sure that everyone who sells power is also required to buy the insurance policy that protects us all from big risks if there is not enough power available.

Right now, our incumbent utilities are required to be ready to take 100 percent of customers back - but those utilities will not receive approval to build plants their current customers don't need. When there were plenty of plants, that system worked without causing a reliability problem. But that is not going to be the case in the coming years. Instead, we face the question of how to pay for plants that may only need to run a few weeks a year, if no utility can be authorized to build them, and no investor thinks they can make their money back.

In Michigan, we believe in the principle of cost of service - users should not be subsidizing each other. That principle needs to apply to our market design too, and make sure everyone is fairly sharing in the costs of those plants we may only need a few times a year, or the lines we need to bring in the power that keeps our grid running. This must be a top priority.

While we need to change our market structure, we need to recognize the fact that in much of Michigan, 10 percent of businesses have relationships with other electric providers. When we change our system, we can respect those business decisions and allow those relationships to continue, if those providers can be part of the solution to our current problems. Reorganizing and redesigning electric markets, and giving our electric companies and their customers time to respond to those changes, is crucial. We also need to have a defined universe of megawatts we are addressing, so we need to keep the 10 percent limit.

It takes 3-5 years to build a new generating plant, including all regulatory approvals and permit requirements. So we need to know electric customers are protected now and 5 years into the future. That will give us time to construct a new, efficient plant if needed. All electric companies should be required to show the MPSC they have the capacity to serve their customers for the next five years in order to do business in Michigan. I am calling on the legislature to help us reform this system before the summer break, so that we can give ourselves as much time as possible to make a smooth transition.

Adaptability

Michigan must set a reasonable, achievable and efficient goal for 2025: a minimum of 30 percent clean energy - and potentially much more.

2025 is 10 years away. And in those 10 years, Michigan is going to need to build new plants for electric generation and make sure our natural gas infrastructure is able to handle increased demand. We need to make sure our decisions keep Michigan adaptable, while making sure our energy is reliable, affordable, and protective of the environment. We've been talking about energy for some time, and that time has given us clarity on some key challenges facing Michigan.

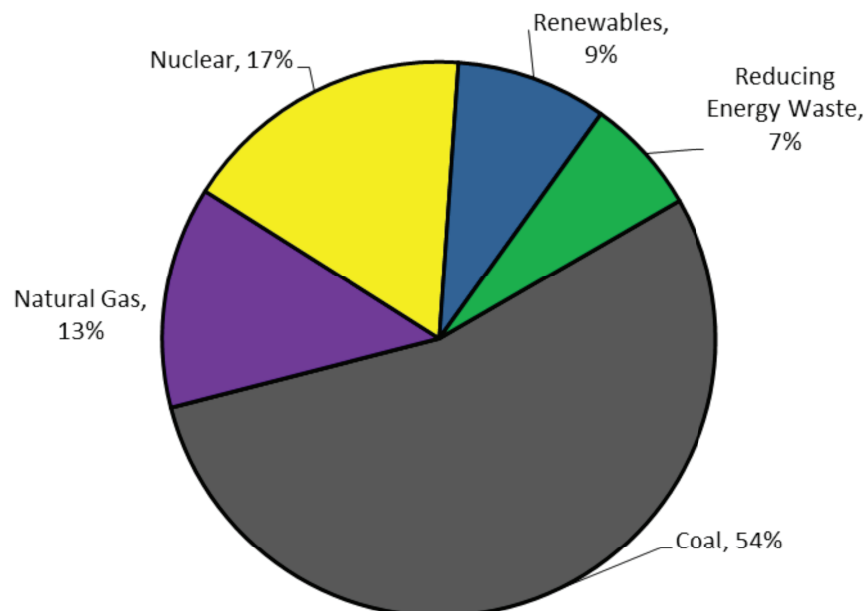
Michigan has historically been one of the top 10 states most dependent on coal. We will have fewer coal plants in the near future. Now is the time when we will make energy decisions that shape our future and our children's energy future. That energy future can be one where our system is adaptable, reliable, affordable, and protects our environment - but only if we are smart about how we make those decisions and take advantage of our strengths.

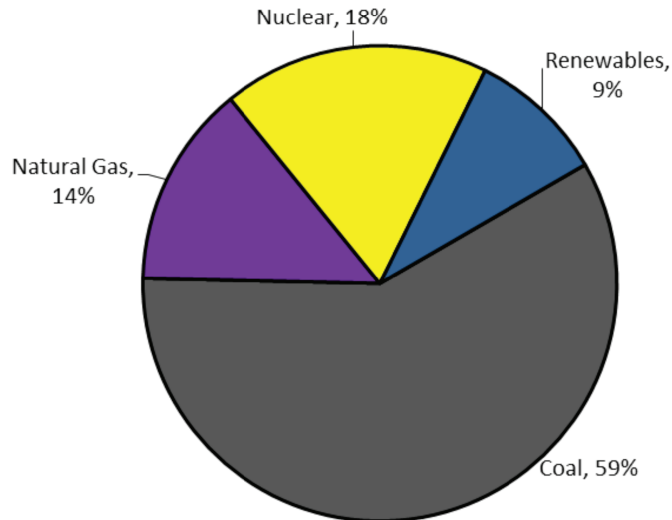
Michigan is well-positioned to make those decisions. We've been working during the last few years and have a pretty good idea of the range of the best solutions for Michigan.

First, we know that Michigan will benefit most by eliminating energy waste as our first priority. Then we can look at what plants will be shutting down and what will be replacing those to determine what our future mix of electric plants will look like. We will have less coal and more natural gas and renewables. We will have more natural gas plants for baseload generation as well as for intermittent generation when power from renewables may not be available—and more renewable energy to help us contain costs. And reducing energy waste will be an increasingly important part of our portfolio.

If you look at where Michigan gets its electricity today, we are still pretty reliant on coal. But we are seeing a contribution from our newer investments - reducing waste and renewables - that is almost as large as the contribution from our nuclear plants. Below are charts showing what our mix looks like when you add in the energy waste reductions, or if you look only at our generation.

Michigan's 2015 Electricity Mix





Now, when we look at the future, what do we know? First off, we know Michigan is growing again. While we should look at all scenarios, we should plan for at least a moderate amount of growth in electric demand.

We know that renewable energy has dropped significantly in cost, making it cost-competitive or close to cost-competitive. We are now hearing firm 20-year price quotes for wind that are less expensive than coal or natural gas. These least-expensive renewables can't provide baseload power - because they only work when the sun is shining or the wind is blowing. That said, we have a unique asset that helps us store power in Ludington, Mich. so we can get more benefit from intermittent power than most states do.

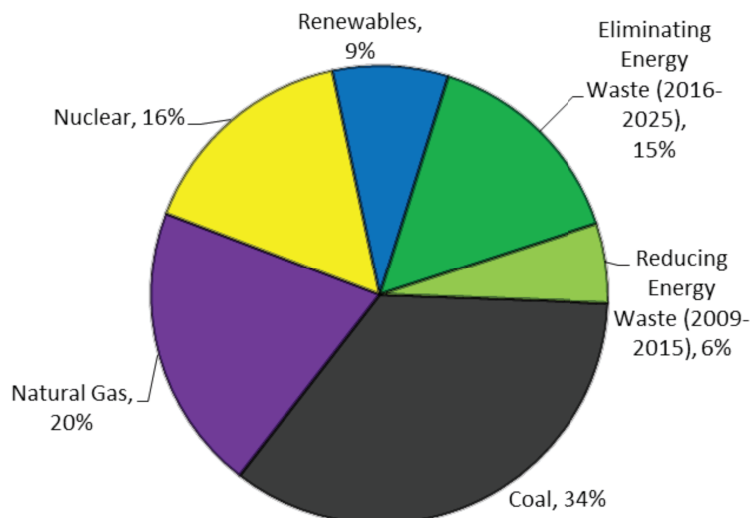
We know that our nuclear production is likely to hold steady until the federal government figures out what to do with the waste, and until we figure out a way to make sure nuclear plant construction can be done cost-effectively.

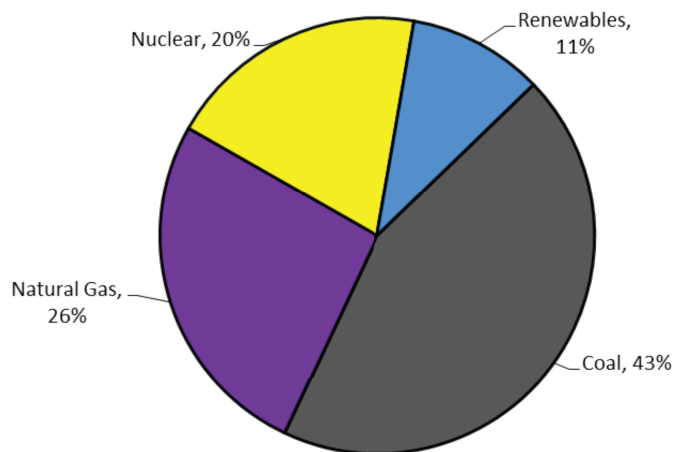
Our new source of baseload power will likely come from natural gas. We know that natural gas prices are at more stable lows than we have seen for decades. We know Michigan has the best natural gas storage in the country. We know Michigan has the ability to produce natural gas - with a safety record to be proud of. And we know natural gas prices are very competitive in Michigan - the eighth-lowest in the country. With that said, natural gas also has a history of very volatile fuel pricing - lots of spikes as well as valleys. To protect Michigan residents and business from big price swings, we will need to offset that risk of natural gas prices with power that doesn't need us to pay for fuel - renewables.

Now, let's get to what we don't know. We don't know if exactly what natural gas will cost - if it will beat renewables, or vice-versa. So starting with what we know, we can try out some possible futures and see what our mix would be if we just built as much of the cheapest thing as possible to fill our gap. To make it simple, these scenarios do not try to include any new federal regulations change the mix, or hedge our risks, or technological changes.

If natural gas generation is generally less expensive than renewables (onshore wind), then here would be the state's energy mix in 2025 with energy waste elimination shown (top), or the resource mix of only our generation assets (below).

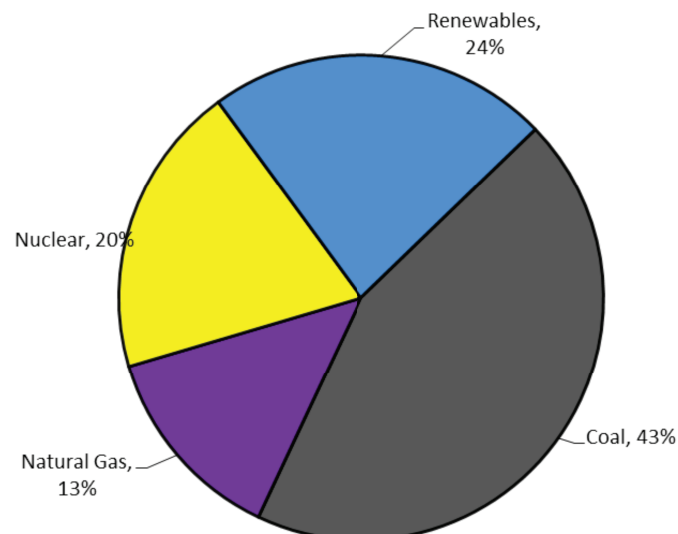
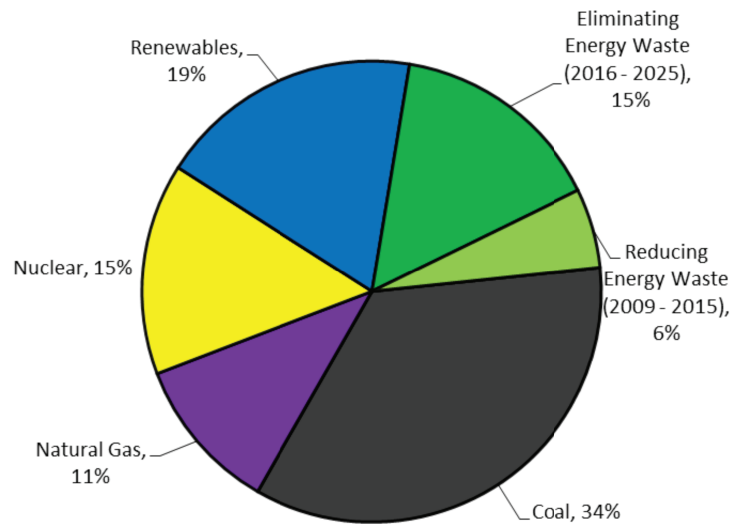
Michigan's Potential 2025 Electricity Mix
(natural gas less expensive than renewables per kWh)





Now let's look at another scenario, where onshore wind is less expensive than natural gas.

**Michigan's Potential 2025 Electricity Mix
(natural gas more expensive than renewables per kWh)**



If we look at nothing but cost—and renewables don't beat natural gas on cost—Michigan would want to get **30 percent of our energy needs in 2025** from our cleanest sources (eliminating waste and renewable energy).

If we look at nothing but cost, and renewables beat natural gas on cost, Michigan would want to get **40 percent of our energy needs by 2025** from our cleanest sources (eliminating waste and renewable energy).

Once you start looking at possible futures, you can see why Michigan's energy goals include the elimination of energy waste and moving to a mix of natural gas and renewables. No matter what the future holds, there is no scenario in which we should not more than double our efforts to reduce energy waste. There are reasonably likely situations in which for financial reasons alone, Michigan would want to more than double our current renewable generation. And you also see why we need to be adaptable, since we don't know which future we will actually come to see.

When other factors are taken into account, including the likelihood of increased regulation on coal and the expected upward pressure on natural gas prices, it is clear that this range - 30 percent to 40 percent renewables plus waste reduction—represents the least amount of waste reduction and renewable energy that would make sense for Michigan to invest in during the next ten years.

Protecting the Environment

Michigan's energy generation needs to be part of a healthier future by reducing mercury emissions, pollution that creates acid rain, and particles in the air for the health of Michigan.

In Michigan, pregnant women and children can't eat a lot of fish we catch in our lakes and rivers because the mercury in the fish would cause serious health and developmental problems. There also are studies dating back decades that show particulate matter in the air is linked to asthma attacks and hospitalization, especially in children. And as the home of the Great Lakes, Michiganders care about acid rain creation, which is why we showed a lot of early leadership in controlling the pollutants that cause this.

We should not lose sight of the fact that there are other reasons beyond cost and portfolio diversity that these technologies are better for Michigan than what we have today.

Pure Michigan has been such a powerful brand for our state because it promotes the reality of our state. People should come here to enjoy the kind of experiences that make treasured memories.

One nearly-perfect Pure Michigan moment that comes to mind is a kid pulling a huge fish out of a picture-perfect lake. You know how to make that perfect? Having the kid be able to eat that fish that night. That's a part of no-regrets energy decision making.

We need to continue to take environmental priorities into account when making energy decisions. We must work to ensure our energy portfolio should continue to get better over time in controlling pollutants. When you replace a coal plant with a natural gas plant, you have essentially eliminated mercury as a pollutant from that plant. Chemicals that lead to acid rain—SO_x and NO_x—also drop enormously when you replace coal with natural gas. Particulate matter, which is linked to heart and lung diseases - like asthma - is reduced through natural gas use instead of coal, but large reductions come when you rely more on our cleanest sources, like waste elimination and wind or solar power.

Of course, we can't just look at power plants when we discuss energy and the environment.

In charting out Michigan's energy future, we should also explore ways to promote the adoption of advanced transportation fuels such as natural gas, biofuels, hydrogen, and electricity. Passenger cars and trucks, transit buses, fleet delivery vans, refuse and utility trucks, and even heavy duty rigs are now being powered by alternative energy sources and we must continue to examine how smart policies can help encourage their growth as part of Michigan's energy future. We also need to look at emerging technologies that may be able to do more to limit pollution from traditional vehicles. Michigan has been a leader in developing and testing autonomous and connected vehicles, which would not only help reduce crashes, but can reduce emissions too.

In another arena, yesterday new rules went into place that continue Michigan's tradition of protective and effective regulation of drilling for natural gas and oil, and help us adapt to technological change.

We are pleased at the level of thoughtful interest and exchange this issue is receiving outside of government. The rules that took effect this week regarding high volume hydraulic fracturing were developed while key decision-makers from the state were participating in the first phase of an integrated assessment by the University of Michigan's Graham Institute. That helped us see an opportunity to strengthen our protection of water and give the public more information.

Specifically, we took some steps to require more preparatory work and monitoring of water levels. Baseline water quality samples will also have to be collected, so we will be able to know what the water quality was in the area before the operation started. DEQ will also have to be notified at least 48 hours before the operation starts.

The public will also have more information about when and where high volume hydraulic fracturing is used - permits will now have to contain this information, even if the producer is using the technique on an old well. The pressures and volumes being used will be reported, and operators must post information about the chemical additives used on the FracFocus Chemical Disclosure Registry - which is on the web and anyone can access.

The Graham Institute is now well into the second phase of its integrated assessment and the State will be among the many entities giving public comment to the researchers. The State looks forward to reading the final assessment and considering whether further rule changes or other improvements should be proposed.

Conclusion

Now is the time for Michigan to take charge of its energy future.

We have an agenda before us with great challenges. We have set ambitious goals and there is much to do if we are to meet them.

But one thing we know for sure is that Michiganders do not back away from challenges. Our reinvention is proof that we know how to pull together, innovate and find solutions. We can lead the nation. That's the only way we should approach our energy needs.

I announced in the State of the State address that I plan to create a state agency focused entirely on meeting our energy needs now and long into the future. Later this month, I will sign an executive order creating that agency so that we can start improving our energy decision-making. We will do that not by replacing the skilled decision-making by our Public Service Commission and Department of Environmental Quality, but by having a single agency dedicated to getting all of our departments and commissions the information and context they need to support our energy priorities. We will be ready to put into place the changes that come about through work with our legislative partners as well as stakeholders. And most of all, we will be ready to adapt and make sure Michigan - and Michiganders—make the best energy decisions for our future.

The message was referred to the Secretary for record.

The following messages from the Governor were received and read:

March 13, 2015

I respectfully submit to the Senate the following appointment to office:

Director - Michigan Department of Talent and Economic Development

Steve Arwood of 5665 S. Forrest Road, St. Johns, Michigan 48879, county of Clinton, is appointed for a term commencing March 16, 2015, and expiring at the pleasure of the Governor.

March 13, 2015

I respectfully submit to the Senate the following appointment to office:

Director - Michigan Talent Investment Agency

Stephanie A. Comai of 1216 Glen Leven Road, Ann Arbor, Michigan 48013, county of Washtenaw, is appointed for a term commencing March 16, 2015, and expiring at the pleasure of the Governor.

March 16, 2015

I respectfully submit to the Senate the following appointment to office:

Certificate of Need Commission

Marc D. Keshishian of 30498 Fox Club Drive, Farmington Hills, Michigan 48331, county of Oakland, representing one individual representing a nonprofit health care corporation operating pursuant to the nonprofit health care corporation reform act, 1980 PA 350, MCL 550.1101 to 550.1704, or a nonprofit mutual disability insurer into which a nonprofit health care corporation has merged as provided in section 5805(1) of the insurance code of 1956, 1956 PA 218, MCL 500.5805, and Democrats, succeeding himself, is reappointed for a term expiring January 1, 2018.

March 16, 2015

I respectfully submit to the Senate the following appointments to office:

Michigan State Housing Development Authority

Steve Arwood of 5665 S. Forrest Road, St. Johns, Michigan 48879, county of Clinton, representing the Director of the Department of Human Services, succeeding Maura Corrigan, is appointed for a term expiring at the pleasure of the Governor.

Alexander Simpson of 16554 Princeton Street, Detroit, Michigan 48221, county of Wayne, representing Independents, succeeding Robert Sher, is appointed for a term expiring March 10, 2019.

Scott Wierda of 6031 Hillsborough Drive, Georgetown, Michigan 49418, county of Ottawa, representing Republicans, succeeding himself, is reappointed for a term expiring March 10, 2019.

March 17, 2015

I respectfully submit to the Senate the following appointment to office:

President - Michigan Strategic Fund

Steve Arwood of 5665 S. Forrest Road, St. Johns, Michigan 48879, county of Clinton, is appointed for a term expiring at the pleasure of the Governor.

Sincerely,
Rick Snyder
Governor

The appointments were referred to the Committee on Government Operations.

By unanimous consent the Senate proceeded to the order of
Resolutions

Senator Johnson entered the Senate Chamber.

Senators Proos, Pavlov, Zorn, Colbeck, Horn, Robertson, Schmidt, Emmons, Marleau and Rocca offered the following concurrent resolution:

Senate Concurrent Resolution No. 6.

A concurrent resolution to memorialize the Congress of the United States to appropriate funds from the Nuclear Waste Fund for the establishment of a permanent repository for high-level nuclear waste or reimburse electric utility customers who paid into the fund.

Whereas, The nuclear power industry needs a permanent repository for high-level nuclear waste produced by reactors. Nuclear power plays a vital role in meeting our nation's current and future energy needs. However, the failure to construct a permanent repository severely impedes efforts to construct new power plants to provide clean and reliable base load power; and

Whereas, Over the last 30 years, the nuclear power industry and its customers have paid the federal government billions of dollars to construct a permanent repository. Under the Nuclear Waste Policy Act of 1982, the U.S. Congress established the Nuclear Waste Fund to collect money for the repository. Revenue to the fund came from mandatory fees assessed on all nuclear energy. Since 1983, customers of Michigan electric utilities alone have paid \$812 million into the fund for construction of the repository; and

Whereas, A permanent repository for high-level nuclear waste has not been established and constructed. More than 2,000 metric tons of spent nuclear fuel from power plants continue to accumulate at temporary and potentially vulnerable sites across the nation, adding to the more than 70,000 metric tons already stored at these sites; and

Whereas, The Nuclear Waste Fund contains a substantial balance for establishment of the repository. While fee collection was suspended on May 16, 2014, the fund still contains a balance of over \$31 billion for the express purpose of supporting radioactive waste disposal activities. It is imperative that Congress meet its obligation to the nuclear power industry and U.S. citizens who paid into this fund; now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That we memorialize the Congress of the United States to appropriate funds from the Nuclear Waste Fund for the establishment of a permanent repository for high-level nuclear waste or reimburse electric utility customers who paid into the fund; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

Pending the order that, under rule 3.204, the concurrent resolution be referred to the Committee on Government Operations, Senator Kowall moved that the rule be suspended.

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

The question being on the adoption of the concurrent resolution,

Senator Kowall moved that the concurrent resolution be referred to the Committee on Energy and Technology.

The motion prevailed.

Senators Booher, Brandenburg, Casperson, Jones and Kowall were named co-sponsors of the concurrent resolution.

Senators Pavlov, Proos, Zorn, Colbeck, Horn, Robertson, Schmidt, Emmons, Marleau and Rocca offered the following concurrent resolution:

Senate Concurrent Resolution No. 7.

A concurrent resolution to memorialize the Congress of the United States to ensure a safe and permanent location to store nuclear waste and to refer the issue of locating nuclear waste repositories in the Great Lakes basin to the International Joint Commission.

Whereas, The permanent, long-term storage of nuclear waste is an ongoing problem that must be addressed by all nations. Nuclear power provides large amounts of reliable, emission-free electricity at stable prices. It can play a major role in meeting the need for new cleanly-produced base load generating capacity as long as a solution can be found for safely dealing with the thousands of tons of radioactive waste produced each year; and

Whereas, Decades of investigation and debate have identified Yucca Mountain in Nevada as a safe and acceptable repository for the permanent storage of high-level radioactive waste. Selected in the early 1980s as a potential site, Yucca Mountain was approved by Congress and President Bush as the site of the nation's repository in 2002. In 2008, the Nuclear Regulatory Commission (NRC) accepted an application to construct and operate the repository, but two years later, at the urging of President Obama, the U.S. Department of Energy (DOE) chose to terminate the process. In October 2014, the NRC released a report that confirmed Yucca Mountain would meet all NRC standards for protecting people and the environment from radioactivity. Clearly, it is time to reopen the Yucca Mountain process, as it will provide the best long-term solution to our nation's nuclear waste problem; and

Whereas, The Canadian government is also considering a proposal for a permanent nuclear waste repository. Ontario Power Generation is proposing to construct a repository for low- and intermediate-level radioactive waste at a site less than a mile inland from the shore of Lake Huron. Placing a repository so close to the Great Lakes is a matter of serious concern. A leak or breach of radioactivity from the facility could damage the ecology of the lakes. Tens of millions of United States and Canadian citizens depend on the lakes for drinking water, fisheries, tourism, recreation, and other industrial and economic uses; and

Whereas, Successful national nuclear policy requires a safe and permanent repository for nuclear waste in a suitable geologic location. It is ironic that our nation has adopted a process that identified a safe and scientifically-acceptable location but refuses to move forward, while at the same time, Canada is moving forward with a flawed nuclear waste policy that has led to the consideration of an inappropriate site on the shores of the Great Lakes. Congressional leadership is needed to put our national and regional nuclear policy on course; now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That we memorialize the Congress of the United States to ensure a safe and permanent location to store nuclear waste; and be it further

Resolved, That we urge Congress to refer the issue of locating repositories for nuclear waste in the Great Lakes basin to the International Joint Commission; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, the members of the Michigan congressional delegation, and the commissioners of the International Joint Commission.

Pending the order that, under rule 3.204, the concurrent resolution be referred to the Committee on Government Operations, Senator Kowall moved that the rule be suspended.

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

The question being on the adoption of the concurrent resolution,

Senator Kowall moved that the concurrent resolution be referred to the Committee on Energy and Technology.

The motion prevailed.

Senators Booher, Brandenburg, Casperson, Jones and Kowall were named co-sponsors of the concurrent resolution.

Senators Zorn, Proos, Pavlov, Schmidt, Horn, Colbeck, MacGregor, Robertson, Emmons, Marleau and Rocca offered the following concurrent resolution:

Senate Concurrent Resolution No. 8.

A concurrent resolution to urge the U.S. Department of Energy and the U.S. Nuclear Regulatory Commission to fulfill their obligation to establish a permanent repository for high-level nuclear waste.

Whereas, Over the past four decades, nuclear power has been a significant source for the nation's electricity production. According to the U.S. Energy Information Administration, nuclear power provided about 20 percent of the electricity produced in the United States in 2013, and Michigan's three nuclear power plants provided 28 percent of the electricity generated in Michigan; and

Whereas, Since the earliest days of nuclear power, the great dilemma associated with this technology is how to deal with used nuclear fuel. Currently, more than 70,000 metric tons of spent nuclear fuel are stored in pools or casks at temporary sites around the country, including Michigan. This high-level radioactive waste demands exceptional care in all facets of its storage and disposal, including transportation; and

Whereas, More than 30 years ago, Congress enacted the Nuclear Waste Policy Act of 1982 to address this issue. The act requires the federal government, through the Department of Energy, to build a repository for the permanent storage of high-level radioactive waste from nuclear power plants and begin accepting waste by January 31, 1998; and

Whereas, It is now 2015, and the nation still remains without a permanent repository, despite billions of dollars collected from electric ratepayers for the project. Spent nuclear fuel continues to pile up at temporary sites around the country, and the ongoing problem of permanent disposal is a drag on the potential of the nuclear power industry to meet our nation's energy needs. There is only so long that our nation can continue to safely store this waste at temporary sites; now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That we urge the U.S. Department of Energy and the U.S. Nuclear Regulatory Commission to fulfill their obligation, as provided by law, to establish a permanent repository for high-level nuclear waste; and be it further

Resolved, That copies of this resolution be transmitted to the Secretary of Energy, the U.S. Nuclear Regulatory Commission, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

Pending the order that, under rule 3.204, the concurrent resolution be referred to the Committee on Government Operations, Senator Kowall moved that the rule be suspended.

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

The question being on the adoption of the concurrent resolution,

Senator Kowall moved that the concurrent resolution be referred to the Committee on Energy and Technology.

The motion prevailed.

Senators Booher, Brandenburg, Casperson, Jones and Kowall were named co-sponsors of the concurrent resolution.

Senator Casperson offered the following resolution:

Senate Resolution No. 25.

A resolution to memorialize the Congress of the United States to pass legislation that authorizes the U.S. Army Corps of Engineers to implement measures at the Brandon Road lock and dam to prevent Asian carp from entering the Great Lakes.

Whereas, Asian carp are an imminent and serious threat to the health and economy of Michigan and the entire Great Lakes region. Only 50 miles downstream from Lake Michigan, this aquatic invasive species' voracious appetite would disrupt food webs, leaving inadequate food for more desirable species within the Great Lakes, and threatening the \$7-billion Great Lakes recreational and commercial fishing industry; and

Whereas, Current controls in the Chicago area are inadequate to prevent the movement of Asian carp and potential future aquatic invasive species (AIS) between the Great Lakes system and the Mississippi River system. A U.S. Army Corps of Engineer and U.S. Fish and Wildlife Service study has demonstrated that the electrical barriers that provide the front line of protection against carp do not prevent the movement of all fish; and

Whereas, Control measures implemented at the Brandon Road lock and dam in Joliet, Illinois, would reduce the risk of an Asian carp invasion while maintaining efficient navigation. Composed of representatives from government, industry, business, anglers, and conservation groups, the Chicago Area Waterway System Advisory Committee has recommended the deployment of innovative technologies and the reconfiguration of the locks in a newly-engineered channel at this key location. The U.S. Army Corps of Engineers has begun the scoping process for this project; and

Whereas, Moving forward with design, engineering, and construction of these measures would be a worthwhile short-term and long-term investment in the Great Lakes region. While negotiations continue on a permanent long-term solution, these measures would provide additional protection and be consistent with an eventual long-term solution. In addition, this project would serve as a valuable demonstration for technologies that could be implemented in other areas of the country; and

Whereas, There is a window of opportunity now to protect the Great Lakes, avoid irreparable harm to the system, and prevent decade upon decade of future management costs. Once established, Asian carp would be nearly impossible to eradicate and would join zebra mussels, sea lamprey, and other AIS that Great Lakes governments and businesses spend millions of dollars per year to control. The Brandon Road lock and dam project would be a solid first step in creating greater structural protections for the Great Lakes; now, therefore, be it

Resolved by the Senate, That we memorialize the Congress of the United States to pass legislation that authorizes the U.S. Army Corps of Engineers to implement measures at the Brandon Road lock and dam to prevent Asian carp from entering the Great Lakes; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations,

Senator Kowall moved that the rule be suspended.

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

The question being on the adoption of the resolution,

Senator Kowall moved that the resolution be referred to the Committee on Natural Resources.

The motion prevailed.

Senators Bieda, Booher, Brandenburg, Colbeck, Hood, Horn, Jones, Kowall, MacGregor, Marleau, O'Brien, Proos, Robertson, Rocca, Schmidt, Stamas and Zorn were named co-sponsors of the resolution.

Senator Kowall offered the following resolution:

Senate Resolution No. 26.

A resolution to urge the Federal Aviation Administration to reconsider new policies that would prohibit offset loading of sea-land containers by the U.S. air cargo industry.

Whereas, Air cargo carriers capable of transporting very large or irregular cargo and sea-land containers are a small, but critical, segment of the U.S. air transportation sector. It is important that they remain economically viable and able to maintain their aircraft capacity, which is frequently needed for vital national interests; and

Whereas, For over four decades, the air cargo industry has safely loaded sea-land containers along the sides of aircraft, utilizing the aircraft designed restraint system, as an efficient and cost-effective means of transporting the containers. Offset loading has until now been accepted by the Federal Aviation Administration (FAA). In addition, the International Air Transport Association (IATA) has incorporated the offset loading method into its latest standards (January 2015), which are followed and will continue to be followed by carriers throughout the world. According to the IATA, there has never been an accident or incident involving the loading of sea-land containers; and

Whereas, The FAA has taken actions that would ban this common operating procedure. The FAA has proposed a new airworthiness directive that would prohibit offset loading onto Boeing 747. In addition, the FAA has adopted a national policy notice that would prevent FAA inspectors from approving offset loading procedures; and

Whereas, The FAA's actions are based on flawed information. First, while the Boeing 747 Weight and Balance Manual does not explicitly provide for the offset loading method, it does allow for alternative methods of loading not covered in the manual as long as specific operating limitations are maintained. Second, 2014 safety tests that found offset loading to be unsafe did not reflect the actual methods used to conduct offset loading under IATA standards, nor did it use prescribed testing standards. Testing performed earlier this year under more realistic conditions and using the prescribed standards demonstrated that offset loading can be used without threat to safety; and

Whereas, U.S. air cargo carriers will be at a significant competitive disadvantage if not allowed to load cargo in an offset configuration. Most foreign carriers will continue to use IATA's specifications for guidance on cargo loading, as they are not required to adopt the FAA's proposed and overly-restrictive regulations. U.S. carriers will be forced to use other, less efficient loading methods that reduce the cargo capacity of the aircraft and increase costs for carriers and shippers alike, making it difficult to compete with foreign carriers. The FAA has already forced at least one U.S. cargo carrier to forego a great deal of business to the benefit of foreign carriers in Europe, the Middle East, and Russia. The FAA's unfounded actions will lead to serious financial losses for U.S. carriers and jeopardize their ability to operate to the detriment of the nation's air transportation industry; now, therefore, be it

Resolved by the Senate, That we urge the Federal Aviation Administration to reconsider its national policy notice and proposed airworthiness directive that would prohibit offset loading of sea-land containers by the U.S. air cargo industry; in light of the record of safe operations with offset-loaded containers, renewed testing on this method that has been accomplished, serious economic harm to U.S. heavy cargo carriers, and unwarranted benefits to foreign competitors; and be it further

Resolved, That copies of this resolution be transmitted to the Administrator of the Federal Aviation Administration and the members of the Michigan congressional delegation.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations, Senator Kowall moved that the rule be suspended.

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

The question being on the adoption of the resolution,

Senator Kowall moved that the resolution be referred to the Committee on Transportation.

The motion prevailed.

Senators Booher, Brandenburg, Casperson, Colbeck, Horn, Marleau, Proos, Schmidt, Stamas, Warren and Zorn were named co-sponsors of the resolution.

By unanimous consent the Senate returned to the order of

Motions and Communications

Senator Hood moved that Senator Warren be excused from the balance of today's session.
The motion prevailed.

Third Reading of Bills

Senator Kowall moved that the following bills be placed at the head of the Third Reading of Bills calendar:

Senate Bill No. 24

Senate Bill No. 100

Senate Bill No. 106

Senate Bill No. 139

The motion prevailed.

The following bill was read a third time:

Senate Bill No. 24, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 7cc (MCL 211.7cc), as amended by 2014 PA 40.

The question being on the passage of the bill,

Senator Knezek offered the following amendment:

1. Amend page 30, following line 21, by inserting:

"Enacting section 2. The legislature shall annually appropriate sufficient funds from the state general fund to the state school aid fund created in section 11 of article IX of the state constitution of 1963 to fully compensate for any loss of revenue to the state school aid fund resulting from the enactment of this amendatory act."

The amendment was not adopted, a majority of the members serving not voting therefor.
 Senator Hood requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment was not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 55**Yeas—11**

Ananich	Hertel	Johnson	Smith
Bieda	Hood	Knezek	Young
Gregory	Hopgood	Rocca	

Nays—26

Booher	Hildenbrand	Marleau	Robertson
Brandenburg	Horn	Meekhof	Schmidt
Casperson	Hune	Nofs	Schuitmaker
Colbeck	Jones	O'Brien	Shirkey
Emmons	Knollenberg	Pavlov	Stamas
Green	Kowall	Proos	Zorn
Hansen	MacGregor		

Excused—1

Warren

Not Voting—0

In The Chair: President

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. 56**Yeas—37**

Ananich	Hertel	Knollenberg	Robertson
Bieda	Hildenbrand	Kowall	Rocca
Booher	Hood	MacGregor	Schmidt
Brandenburg	Hopgood	Marleau	Schuitmaker
Casperson	Horn	Meekhof	Shirkey
Colbeck	Hune	Nofs	Smith
Emmons	Johnson	O'Brien	Stamas
Green	Jones	Pavlov	Young
Gregory	Knezek	Proos	Zorn
Hansen			

Nays—0

Excused—1

Warren

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 100, 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 this state; to prescribe certain powers and duties of the state treasurer; to establish the collection duties of certain other state departments for money or accounts owed to this state; 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 22 (MCL 205.22), as amended by 2007 PA 194.

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. 57**Yeas—36**

Ananich	Hertel	Knollenberg	Robertson
Booher	Hildenbrand	Kowall	Rocca
Brandenburg	Hood	MacGregor	Schmidt
Casperson	Hopgood	Marleau	Schuitmaker
Colbeck	Horn	Meekhof	Shirkey
Emmons	Hune	Nofs	Smith
Green	Johnson	O’Brien	Stamas
Gregory	Jones	Pavlov	Young
Hansen	Knezek	Proos	Zorn

Nays—1

Bieda

Excused—1

Warren

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 106, entitled

A bill to amend 1933 PA 167, entitled “General sales tax act,” by amending section 4o (MCL 205.54o), as amended by 2004 PA 173.

The question being on the passage of the bill,

Senator Knezek offered the following amendment:

1. Amend page 3, following line 16, by inserting:

“Enacting section 2. The legislature shall annually appropriate sufficient funds from the state general fund to the state school aid fund created in section 11 of article IX of the state constitution of 1963 to fully compensate for any loss of revenue to the state school aid fund resulting from the enactment of this amendatory act.”.

The amendment was not adopted, a majority of the members serving not voting therefor.

Senator Hansen requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment was not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 58**Yeas—13**

Ananich
Bieda
Gregory
Hertel

Hood
Hopgood
Horn

Johnson
Jones
Knezek

Rocca
Smith
Young

Nays—24

Booher
Brandenburg
Casperson
Colbeck
Emmons
Green

Hansen
Hildenbrand
Hune
Knollenberg
Kowall
MacGregor

Marleau
Meekhof
Nofs
O’Brien
Pavlov
Proos

Robertson
Schmidt
Schuitmaker
Shirkey
Stamas
Zorn

Excused—1

Warren

Not Voting—0

In The Chair: President

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. 59**Yeas—37**

Ananich	Hertel	Knollenberg	Robertson
Bieda	Hildenbrand	Kowall	Rocca
Booher	Hood	MacGregor	Schmidt
Brandenburg	Hopgood	Marleau	Schuitmaker
Casperson	Horn	Meekhof	Shirkey
Colbeck	Hune	Nofs	Smith
Emmons	Johnson	O'Brien	Stamas
Green	Jones	Pavlov	Young
Gregory	Knezek	Proos	Zorn
Hansen			

Nays—0**Excused—1**

Warren

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

Senator Green asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator Green's statement is as follows:

Senate Bill No. 106 provides a sales tax exemption for fundraisers held by VSOs, which are veterans posts, veterans legions, and all the veterans organizations, for a benefit that is for a specific active duty military member or veteran.

Some of you may remember we had a sergeant come in and testify before us at one of our last memorial meetings, a quadriplegic who lost both arms and both legs in Afghanistan. They had some fundraisers for him back home, and through the sales tax law, they found out that anything over \$5,000 they're going to pay sales tax on. I don't think anyone here feels like if we do fundraisers for our veterans who have lost limbs—or any veteran—we should give our money to the state. I believe 100 percent of the money should go to the veteran, if that's what it is. This means that veterans posts will still pay taxes on what they buy, but they won't have to on dinner.

This amendment before us now wants the Legislature to annually appropriate funds from the state fund to divert this money to the School Aid Fund. It is a valiant offer by my friend from the 5th District, but Senate Fiscal couldn't find out how much that would be and said if there was any money at all, it would be negligible. I still believe that anything we do for our veterans, 100 percent of it should go to veterans. I move that you defeat this amendment.

The following bill was read a third time:

Senate Bill No. 139, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," by amending section 1272b (MCL 380.1272b).

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. 60**Yeas—36**

Ananich	Hertel	Knollenberg	Robertson
Bieda	Hildenbrand	Kowall	Rocca

Booher	Hood	MacGregor	Schmidt
Brandenburg	Hopgood	Marleau	Schuitmaker
Casperson	Horn	Meekhof	Shirkey
Colbeck	Hune	Nofs	Smith
Emmons	Johnson	O'Brien	Stamas
Green	Jones	Pavlov	Young
Hansen	Knezek	Proos	Zorn

Nays—1

Gregory

Excused—1

Warren

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

By unanimous consent the Senate proceeded to the order of

Introduction and Referral of Bills

Senators Hopgood, Ananich, Warren, Hertel, Smith, Hood, Knezek, Gregory, Johnson, Young and Bieda introduced **Senate Bill No. 223, entitled**

A bill to amend 1949 PA 300, entitled “Michigan vehicle code,” (MCL 257.1 to 257.923) by adding section 811ii. The bill was read a first and second time by title and referred to the Committee on Transportation.

Senators Knezek, Bieda and Ananich introduced

Senate Bill No. 224, entitled

A bill to amend 1978 PA 472, entitled “An act to regulate political activity; to regulate lobbyists, lobbyist agents, and lobbying activities; to require registration of lobbyists and lobbyist agents; to require the filing of reports; to prescribe the powers and duties of the department of state; to prescribe penalties; and to repeal certain acts and parts of acts,” by amending section 6a (MCL 4.416a), as added by 1994 PA 383.

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

House Bill No. 4038, entitled

A bill to amend 1961 PA 236, entitled “Revised judicature act of 1961,” by amending section 5718 (MCL 600.5718). 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 Judiciary.

House Bill No. 4188, entitled

A bill to amend 1973 PA 116, entitled “An act to provide for the protection of children through the licensing and regulation of child care organizations; to provide for the establishment of standards of care for child care organizations; to prescribe powers and duties of certain departments of this state and adoption facilitators; to provide penalties; and to repeal acts and parts of acts,” (MCL 722.111 to 722.128) by adding sections 14e and 14f.

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 Families, Seniors and Human Services.

House Bill No. 4189, entitled

A bill to amend 1939 PA 288, entitled “Probate code of 1939,” (MCL 710.21 to 712B.41) by adding section 23g to chapter X.

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 Families, Seniors and Human Services.

House Bill No. 4190, entitled

A bill to amend 1939 PA 280, entitled “The social welfare act,” (MCL 400.1 to 400.119b) by adding section 5a.

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 Families, Seniors and Human Services.

House Bill No. 4289, entitled

A bill to amend 1965 PA 314, entitled “Public employee retirement system investment act,” by amending section 13g (MCL 38.1133g), as added by 2014 PA 185.

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 Commerce.

Statements

Senators Marleau, Bieda and Young asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Marleau’s statement is as follows:

I’d like to take a moment of your time and publicly thank Niko Burnell from my staff for his service to the state of Michigan. Niko Burnell is moving on. He’s done an outstanding job in my office, and it was great to have him as part of my team. He started as an intern in January 2013. After graduating from Michigan State University in 2014, he was hired on my staff.

Niko has proven himself very quickly and now supervises all the interns on properly handling constituents. He has spent the better part of two years working with constituent concerns on Medicare issues. That took a tremendous amount of hard work and patience. Most recently, he’s been an integral part of a workgroup on immunizations, which is very important to us, getting the young ones vaccinated here in the state of Michigan.

Niko is now moving forward in his career. His next position is at a local hospital down the street, working on transforming their IT systems to better serve patients.

I would like to thank him for his hard work. We are sad to see him leave, but we also appreciate the hard work that he has put in in our office and also to the state of Michigan and to the 12th Senate District. I would like to take this opportunity to thank him and wish him the best in his future endeavors, both personal and professional. I am giving Niko the state seal that we have all signed just recently.

Senator Bieda’s statement is as follows:

Today, I rise in honor of Louise Messana. She died peacefully in her home on March 16, 2015, at 80 years of age. Louise is the loving mother of State Representative Marilyn Lane, the cherished grandmother of Pamela David, and great-grandmother of Jameson. She’s also the beloved sister of Mary, Rosemarie, and Janet; a dear aunt to many nieces, nephews, grandnieces, and grandnephews, as well as in-laws; and also beloved by all co-workers and doctors at South Macomb Internists, where she was still working when she died. She was preceded in death by her loving husband Nino.

Louise was born on May 28, 1934, in Detroit, Michigan, daughter of the late Bruno and Theresa Votano. Louise worked for South Macomb Internists of Warren for over 35 years as an office manager. She was still working there part-time at the time of her death, and she was looking forward to the spring and the beauty it would bring. Louise was the biggest sweetheart and would do anything for anyone. She took great joy in seeing everyone happy and was not only an inspiration, but a role model to her daughter, State Representative Marilyn Lane, her granddaughter, and all the many whom she touched in her lifetime.

When she had free time, Louise enjoyed sewing, cooking, and making her famous delicious cannoli. Her greatest joy was her family, and she lived for each and every moment she was able to share in their company. She especially adored her great-grandson Jameson, who was the apple of her eye.

Louise was a devoted and caring woman, with great values, who lived her life with love and purpose. She touched an innumerable number of hearts and lives, and the compassion and friendship that she extended to others was a blessing to all who knew her.

A moment of silence was observed in memory of Louise Messana, Fraser resident and mother of State Representative Marilyn Lane.

Senator Young's statement is as follows:

Mr. President, it has been too long. I would like to start with a quote from President Richard M. Nixon: "Federal and state laws should be changed to no longer make it a crime to possess marijuana for private use." Mr. President, the American people were clear about what they wanted in this election. They were clear about a few things:

No. 1, they wanted to raise the minimum wage.

No. 2, they were for policies in favor women's reproductive rights.

No. 3, they were—much to my chagrin—for more Republicans.

No. 4, Mr. President, they wanted to legalize marijuana.

If we are a body of the people, for the people, and by the people, Mr. President, it is time to free the weed. Now I know what you're saying. I know you're looking at me. People are kind of nervous. Some folks are shifting around in their seats. "What is this guy talking about?" Some people are like, "Coleman has lost it. He has gone off of the mountain." Hear me out on this. I want to break this down in a couple points, and then I'm going to be done.

First of all, this is a criminal justice issue. About 17,830 people get arrested for the possession of marijuana every year. Our revenue, taxpayer dollars, and hardworking American heroes in the police department could be doing other things.

Secondly, in this state, if you're an African American or a minority, you are three times more likely to be arrested for possession of marijuana. The only state where that is equal is in Hawaii, where our President, Barack Obama, is from. I'm just throwing that out there. So this is something that, from a criminal justice position, needs to be addressed. The institutional racism—unintentional; I'm not saying it's an intentional thing—has caused much harm to the minority community.

First, it's gone from a war on drugs and about trying to solve the social ills of addiction to a war on black and brown people.

Secondly, it's a revenue issue. If we were to legalize marijuana nationally, \$9 billion would go into the federal treasury. That's something that's very important economically. That's something that's very important in terms of running the government. That's also something that we can do that we can actually regulate, educate, medicate, and tax marijuana, rather than locking people up senselessly, destroying their lives, giving people records, and making it harder for people to be able to pursue the American Dream of getting a job and providing for their family.

Thirdly, I also think that this is very important from the aspect of hemp. The versatility that hemp has, whether we're making auto parts, making textiles, making superconductors, or whether it can be used as an alternative energy source, these are things that we need to have in this state and in this country that would separate us and put us on a higher plateau economically.

Another reason, Mr. President, in my personal opinion, it's a property rights issue. Listen, I'm a live-and-let-live type of guy. If you want to hit the turbo diesel in your basement, you should be able to do so. I think it's fundamentally wrong that we have the DEA and the police raiding people. Maybe they might be raiding people because they had a tip that they had a whole bunch of marijuana, but in actuality, it's very small amounts. Even with people who are arrested for it—I think it's about 40 percent of our prison folks who are in there for nonviolent drug crimes—and might be for distribution, but that distribution is the same distribution that goes on every day at the Piggly Wiggly when they're selling alcohol. Scientists have said that alcohol is a much more dangerous drug than marijuana.

So it's time to end this prisoner industrial complex. It is time to end this racial discrimination. It is time to end the prohibition of marijuana. Please join me in freeing the weed.

Committee Reports

The Committee on Judiciary reported

Senate Bill No. 56, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending sections 304, 555, 821, and 8202 (MCL 600.304, 600.555, 600.821, and 600.8202), sections 304 and 555 as amended by 1996 PA 374, section 821 as amended by 2004 PA 492, and section 8202 as amended by 1996 PA 388.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Rick Jones
Chairperson

To Report Out:

Yeas: Senators Jones, Schuitmaker, Colbeck and Bieda

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Judiciary reported

Senate Bill No. 191, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 1f of chapter IX (MCL 769.1f), as amended by 2012 PA 331.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Rick Jones

Chairperson

To Report Out:

Yeas: Senators Jones, Schuitmaker, Rocca, Colbeck and Bieda

Nays: None

The bill was referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Judiciary submitted the following:

Meeting held on Tuesday, March 17, 2015, at 3:00 p.m., Room 110, Farnum Building

Present: Senators Jones (C), Schuitmaker, Rocca, Colbeck and Bieda

COMMITTEE ATTENDANCE REPORT

The Committee on Health Policy submitted the following:

Meeting held on Tuesday, March 17, 2015, at 12:30 p.m., Senate Hearing Room, Ground Floor, Boji Tower

Present: Senators Shirkey (C), Hune, O'Brien, Marleau, Jones, Stamas, Robertson, Hertel, Knezek and Hopgood

COMMITTEE ATTENDANCE REPORT

The Committee on Natural Resources submitted the following:

Meeting held on Wednesday, March 18, 2015, at 12:30 p.m., Room 210, Farnum Building

Present: Senators Casperson (C), Pavlov, Robertson, Stamas and Warren

COMMITTEE ATTENDANCE REPORT

The Subcommittee on Judiciary submitted the following:

Meeting held on Wednesday, March 18, 2015, at 1:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building

Present: Senators Proos (C), Schuitmaker and Young

COMMITTEE ATTENDANCE REPORT

The Committee on Families, Seniors and Human Services submitted the following:

Meeting held on Wednesday, March 18, 2015, at 3:00 p.m., Room 210, Farnum Building

Present: Senators Emmons (C), Pavlov, Jones and Casperson

Excused: Senator Johnson

COMMITTEE ATTENDANCE REPORT

The Committee on Commerce submitted the following:

Meeting held on Wednesday, March 18, 2015, at 3:30 p.m., Room 110, Farnum Building

Present: Senators Schmidt (C), Kowall, MacGregor, Nofs and Hertel

COMMITTEE ATTENDANCE REPORT

The Committee on Transportation submitted the following:

Meeting held on Thursday, March 19, 2015, at 8:30 a.m., Room 210, Farnum Building

Present: Senators Casperson (C), Horn, Pavlov, Marleau and Hopgood

COMMITTEE ATTENDANCE REPORT

The Subcommittee on Transportation submitted the following:

Meeting held on Thursday, March 19, 2015, at 8:30 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building

Present: Senators Hansen (C) and Knollenberg

Excused: Senator Young

COMMITTEE ATTENDANCE REPORT

The Subcommittee on Corrections submitted the following:

Meeting held on Thursday, March 19, 2015, at 9:00 a.m., Room 110, Farnum Building

Present: Senators Proos (C), Knollenberg and Gregory

Scheduled Meetings**Appropriations -****Subcommittees -**

Agriculture and Rural Development - Tuesday, March 24, 3:00 p.m., Rooms 402 and 403, Capitol Building (373-2768)

Community Colleges - Wednesday, March 25, 9:00 a.m., Room 405, Capitol Building (373-2768)

Corrections - Thursday, March 26, 9:00 a.m., Room 405, Capitol Building (373-2768)

Environmental Quality - Tuesday, March 24, 1:30 p.m., Room 210, Farnum Building (373-2768)

General Government - Thursday, March 26, 8:30 a.m., Room 100, Farnum Building (373-2768)

Higher Education - Thursday, March 26, 9:30 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-2768)

Judiciary - Wednesday, March 25, 1:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-2768) (CANCELED)

K-12, School Aid, Education - Wednesday, March 25, 8:30 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-2768)

Natural Resources - Tuesday, March 24, 1:00 p.m., Room 210, Farnum Building (373-2768)

State Police and Military Affairs - Tuesday, March 24, 8:30 a.m. and Thursday, March 26, 1:00 p.m. (CANCELED), Rooms 402 and 403, Capitol Building (373-2768)

Transportation - Thursday, March 26, 8:30 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-2768)

Regulatory Reform - Wednesday, March 25, 1:00 p.m., Rooms 402 and 403, Capitol Building (373-5323)

Senator Kowall moved that the Senate adjourn.

The motion prevailed, the time being 10:49 a.m.

The President, Lieutenant Governor Calley, declared the Senate adjourned until Tuesday, March 24, 2015, at 10:00 a.m.

JEFFREY F. COBB
Secretary of the Senate