

Senate Committee on Commerce and Tourism

A meeting of the Senate Committee on Commerce and Tourism was held Tuesday, September 21, 2010 at 2:30 p.m. in Room 100 of the Farnum Building.

The meeting was called to order at 2:31 p.m.

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

Members excused: None

Senator Allen called the meeting to order.

Senator Clarke moved to adopt the minutes from the meeting held September 14, 2010 with unanimous consent. Senator Nofs supported the motion. By unanimous consent, the minutes from the meeting were adopted.

Senator Allen laid before the committee Senate Bills 1371 and 1372. Senator Allen explained that the Senate Majority Leader had asked that these bills be brought up for a hearing. Senator Allen further stated that he recognized that significant work was needed to make these bills acceptable, and that he was not ready to move the bills.

Senator McManus, sponsor of the legislation, testified in opposition to the bills. Senator McManus explained that she had requested that a hearing not be held on these bills, but understood that the Senate Majority Leader had asked them to be given a hearing. Senator McManus stated that these bills were not ready, and that they needed drastic changes. Senator McManus also stated that the bills, as written, would be another layer of red tape for business at a difficult economic time. She further stated that the e-verify system has significant problems as it can be by-passed through identity theft. Senator McManus concluded her testimony by saying that she looked forward to working with the committee members and interested parties to make these bills better.

Senator Allen thanked Senator McManus for her testimony, and stated to the committee that they would return to this issue at the end of the meeting.

Senator Allen called up George Zimmerman, Vice President of Travel Michigan, and Jim McBryde of the Michigan Economic Development Corporation, to give a presentation on the summer tourism results and the "Pure Michigan" campaign.

Mr. Zimmerman presented a slide-show demonstrating that tourism was up for the 2010 summer across the state. Mr. Zimmerman's presentation also informed committee members of the ways in which funding was utilized and the return on investment netted by the state. Mr. Zimmerman concluded his presentation by explaining the plans for the future year, including what would happen should funding remain at the \$5.4 million currently budgeted.

Steve Yencich, representing the Michigan Lodging and Tourism Association, testified in support of the information presented by Mr. Zimmerman. Mr. Yencich explained that members of his association have reported an increase in the summer numbers over last year, and accredit this increase to the "Pure Michigan" campaign.

Kate Moore, representing the Michigan Golf Course Owners Association, stated that the industry saw a better season over last year, and noted that owners were seeing an increase in the number of customers from out of state. Ms. Moore stated that the industry was confident that this was due to the "Pure Michigan" campaign, and members supported finding a permanent funding source for this program.

Sally Laukitis, representing the Holland Area Convention and Visitors Bureau and the Michigan Association of Convention and Visitors Bureaus, testified that the Holland area saw an 85% occupancy this spring and summer, which was similar to numbers from 1999. She noted that across the board, CVBs saw an increase in visitors.

Janet Korn, representing Experience Grand Rapids, testified in support of the "Pure Michigan" campaign. Ms. Korn explained that the campaign has been influential in bringing national conventions and new visitors to the Grand Rapids area, visitors that Grand Rapids as a city would be unable to advertise for.

Bill Sheffer, representing the Michigan Association of Recreation Vehicles and Campgrounds, stated that Michigan is not a "drive through" state, therefore "Pure Michigan" is important in bringing people into our "destination state".

Senator Allen thanked those from the tourism industry for their information and testimony. Senator Allen laid before the committee Senate Bill 1413.

Ken Osborne testified to remind the committee that there was a hearing on this bill the previous week, and that the bill would allow auctioneers to contract with their customers to provide pre-sale services.

Senator Clarke moved that Senate Bill 1413 be reported out of committee with the recommendation that the bill then pass. Senator Nofs supported the motion. The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

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

Nays: none (0)

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

Senator Hunter moved that Senate Bill 1413 be given immediate effect. Senator Nofs supported the motion.

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

Yeas: Senators Allen, Nofs, Clarke and Hunter (4/5)
Nays: none (0)
Pass: none (0)
Excused: Senator Stamas (1)

Senator Allen laid before the committee Senate Bill 1455. Senator Allen thanked Senator Hunter for his leadership on this issue, and stated that he was ready to move the bill forward.

James Cambridge, representing the legislative drafting committee, supported the legislation and did not wish to testify unless the committee had questions.

James Carey, representing the Business Law Section of the State Bar of Michigan, supported the legislation and did not wish to testify unless the committee had questions.

Senator Hunter moved that Senate Bill 1455 be reported out of committee with the recommendation that the bill then pass. Senator Nofs supported the motion. The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Senators Allen, Nofs, Clarke and Hunter (4/5)
Nays: none (0)
Pass: none (0)
Excused: Senator Stamas (1)

Senator Clarke moved that Senate Bill 1455 be given immediate effect. Senator Nofs supported the motion.

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

Yeas: Senators Allen, Nofs, Clarke and Hunter (4/5)
Nays: none (0)
Pass: none (0)
Excused: Senator Stamas (1)

Senator Clarke wanted to note that, as a member of the State Bar himself, he recognized James Cambridge as the “godfather” of the LLC.

Senator Allen laid before the committee Senate Bill 1487.

Ken Osborne explained that the substitute for the bill represents an agreement reached between the MEDC and Bay City. The bill would allow brownfield development authorities to place undeveloped properties in brownfield plans prospectively without the risk of losing eligibility for tax capture.

Brain Kandler, representing the Detroit Regional Chamber, supported the bill and did not wish to testify.

Troy Cumings, representing the City of Bay City and the National Brownfields Association, supported the bill and did not wish to testify.

Jim McBryde, representing the MEDC, supported the bill and did not wish to testify unless there were questions by the committee.

Kara Wood, representing the City of Grand Rapids, supported the bill and did not wish to testify.

Senator Nofs moved to adopt the substitute (S-1) to Senate Bill 1487. Senator Clarke supported the motion. By an affirmative vote of the majority of members serving, the substitute was adopted. Voting as follows:

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

Nays: none (0)

Pass: none (0)

Excused: Senator Stamas (1)

Senator Clarke moved that Senate Bill 1487 (S-1) be reported out of committee with the recommendation that the bill then pass. Senator Nofs supported the motion.

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

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

Nays: none (0)

Pass: none (0)

Excused: Senator Stamas (1)

Senator Hunter moved that Senate Bill 1487 (S-1) be given immediate effect. Senator Nofs supported the motion.

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

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

Nays: none (0)

Pass: none (0)

Excused: Senator Stamas (1)

Senator Allen placed before the committee Senate Bills 1233 and 1236.

Ken Osborne explained to the committee that these bills were both part of the Transit Oriented Development package, and that testimony had been taken on them earlier this year.

Bill Zaagman, representing the Michigan Public Transit Association, supported the bills and did not wish to testify.

Kara Wood, representing the City of Grand Rapids, supported the bills and did not wish to testify.

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

Larry Steckelberg, representing the Department of Treasury, opposed the bills due to the impact it would have on school taxes.

Senator Stamas entered the committee room.

Senator Nofs moved that Senate Bill 1233 be reported out of committee with the recommendation that the bill then pass. Senator Clarke supported the motion. The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

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

Nays: none (0)

Pass: none (0)

Excused: none (0)

Senator Hunter moved that Senate Bill 1233 be given immediate effect. Senator Stamas supported the motion.

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

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

Nays: none (0)

Pass: none (0)

Excused: none (0)

Senator Stamas moved that Senate Bill 1236 be reported out of committee with the recommendation that the bill then pass. Senator Hunter supported the motion.

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

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

Nays: none (0)

Pass: none (0)

Excused: none (0)

Senator Clarke moved that Senate Bill 1236 be given immediate effect. Senator Nofs supported the motion.

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

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

Nays: none (0)

Pass: none (0)

Excused: none (0)

Senator Allen placed before the committee Senate Bills 1111-1114. Senator Allen noted that the package is not perfect, but that he wanted to move the bills along in the process while work continues on them to make them more acceptable.

Ken Osborne testified in explanation of the bills. Mr. Osborne explained that the committee took testimony on LEED Certification bills earlier this year, and that the substitutes add language for the Department of Energy, Labor and Economic Growth (DELEG) to determine a comparable green building standard other than the LEED green rating system that can also receive the incentives.

Ron Brenke, representing the American Council of Engineering Companies, was neutral on the bills. Mr. Brenke applauded the efforts of the legislation and committee, but expressed his concerns that the bills identified LEED only as an acceptable program. Mr. Brenke would welcome the opportunity to put more input on these bills as they moved forward.

Larry Steckelberg, representing the Department of Treasury, stated his concerns regarding the impact on the School Aid Fund. Senator Allen asked that Mr. Steckelberg get the committee language that the department would be more comfortable with, and Mr. Steckelberg agreed to do so.

Kara Wood, representing the City of Grand Rapids, testified in support of the bills. Ms. Wood stated her appreciation for the local options within the bills.

Tom Hickson, representing the Michigan Association of Counties, stated that he had concerns regarding the fiscal impact to counties and that his association was still evaluating the bills.

Senator Allen reiterated that there would be some fine tuning taking place on this legislation, but that he would like to move the bills forward in the process.

James Clift, representing the Michigan Environmental Council, supported the bills and did not wish to testify.

Sarah Mullkoff, representing Clean Water Action, supported the bills and did not wish to testify.

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

Troy Cumings, representing the National Brownfield Association and the Grand Rapids Chamber of Commerce, supported the bills and did not wish to testify.

Kimberly Moore, representing the Michigan Society of Professional Engineers, is neutral on the bills and did not wish to testify.

Rae Dumke, representing the American Institute of Architects, is neutral on the bills and did not wish to testify.

Senator Nofs moved to adopt the substitute (S-1) to Senate Bill 1111. Senator Clarke supported the motion. By an affirmative vote of the majority of members serving, the substitute was adopted. Voting as follows:

Yeas: Senators Allen, Nofs, Stamas, Clarke and Hunter (5/5)
Nays: none (0)
Pass: none (0)
Excused: none (0)

Senator Hunter moved that Senate Bill 1111 (S-1) be reported out of committee with the recommendation that the bill then pass. Senator Stamas supported the motion.

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

Yeas: Senators Allen, Nofs, Stamas, Clarke and Hunter (5/5)
Nays: none (0)
Pass: none (0)
Excused: none (0)

Senator Stamas moved that Senate Bill 1111 (S-1) be given immediate effect. Senator Hunter supported the motion.

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

Yeas: Senators Allen, Nofs, Stamas, Clarke and Hunter (5/5)
Nays: none (0)
Pass: none (0)
Excused: none (0)

Senator Stamas moved to adopt the substitute (S-1) to Senate Bill 1112. Senator Hunter supported the motion. By an affirmative vote of the majority of members serving, the substitute was adopted. Voting as follows:

Yeas: Senators Allen, Nofs, Stamas, Clarke and Hunter (5/5)
Nays: none (0)
Pass: none (0)
Excused: none (0)

Senator Clarke moved that Senate Bill 1112 (S-1) be reported out of committee with the recommendation that the bill then pass. Senator Nofs supported the motion.

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

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

Nays: none (0)

Pass: none (0)

Excused: none (0)

Senator Hunter moved that Senate Bill 1112 (S-1) be given immediate effect. Senator Stamas supported the motion.

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

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

Nays: none (0)

Pass: none (0)

Excused: none (0)

Senator Stamas moved to adopt the substitute (S-1) to Senate Bill 1113. Senator Hunter supported the motion. By an affirmative vote of the majority of members serving, the substitute was adopted. Voting as follows:

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

Nays: none (0)

Pass: none (0)

Excused: none (0)

Senator Nofs moved that Senate Bill 1113 (S-1) be reported out of committee with the recommendation that the bill then pass. Senator Clarke supported the motion.

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

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

Nays: none (0)

Pass: none (0)

Excused: none (0)

Senator Hunter moved that Senate Bill 1113 (S-1) be given immediate effect. Senator Stamas supported the motion.

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

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

Nays: none (0)

Pass: none (0)

Excused: none (0)

Senator Stamas moved to adopt the substitute (S-1) to Senate Bill 1114. Senator Hunter supported the motion. By an affirmative vote of the majority of members serving, the substitute was adopted. Voting as follows:

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

Nays: none (0)

Pass: none (0)

Excused: none (0)

Senator Nofs moved that Senate Bill 1114 (S-1) be reported out of committee with the recommendation that the bill then pass. Senator Hunter supported the motion.

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

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

Nays: none (0)

Pass: none (0)

Excused: none (0)

Senator Nofs moved that Senate Bill 1114 (S-1) be given immediate effect. Senator Stamas supported the motion.

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

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

Nays: none (0)

Pass: none (0)

Excused: none (0)

Senator Allen returned to Senate Bills 1371 and 1372 for additional testimony.

Representative Agema testified in support of the legislation. Representative Agema stated that objections to e-verify were unfounded. He explained that the program was free to businesses, and that while it will not catch identity theft culprits, the person whose identity was stolen will. Representative Agema stated further that the matter was a jobs and safety issue, as well as a budget issue as illegal immigrants cost to state over \$900 million annually. Representative Agema concluded by saying that the federal Homeland Security Department and the Obama Administration support the e-verify program.

Paul Garfield, the Michigan Director of the Stop Real I.D. Coalition, was no longer present at the committee but submitted a card indicating his opposition to the bills.

Tamyra Murray, an individual with interest in this matter, testified in support of the bills. Ms. Murray explained that she was in the construction business, and that her business was routinely undercut by bids of businesses that employ illegal immigrants. She felt that this system would benefit her business and the state of Michigan.

David Dudenhoefer, representing the Campaign for Liberty, was no longer present at the committee but submitted a card indicating his opposition to the bills.

Charles Owen, representing the National Federation of Independent Businesses (NFIB), testified in opposition to the bills. Mr. Owens explained that while their membership was concerned with illegal immigration and liked the e-verify system, they felt that illegal immigration issues was a federal responsibility. Mr. Owens stated that the NFIB's position was to advocate that Michigan not adopt more stringent regulation than what is federally used as it would put employers at a disadvantage in competing with other states. Mr. Owens further stated that at a minimum, the bills should hold employers harmless like bills in Pennsylvania and Tennessee do. Mr. Owens stated that he would get the language on those bills to the committee.

Wendy Block, representing the Michigan Chamber of Commerce, testified in opposition to the bills. Ms. Block stated that their organization agreed with much of what Mr. Owens stated. Ms. Block added that the timing of these bills is awful considering the business climate, and that adding more red tape is not helpful to struggling businesses. Ms. Block stressed that mandating this system should only be done at the federal level, and that the Chamber did not feel it was right to make employers the immigration police. Ms. Block indicated her willingness to work with the committee to make the bills more acceptable.

Senator Allen thanked those in attendance and stated that more work was necessary on these bills before further action was taken.

Senator Allen adjourned the committee 3:49 p.m.

Respectfully Submitted,

Lauren K. Michalak
Committee Clerk

Jason E. Allen
Chairman

Date Approved by Committee