

Senate Watch

A summary of today's Senate actions;
published daily when the Senate is in session.



5/13/09

THIRD READING

[SB 282](#)

(Sanborn)

Senate Bill 282 would amend the General Property Tax Act to allow an owner who was residing in an assisted living facility or nursing home to retain an exemption on property previously exempt as his or her principal residence if that property were not occupied, not leased, and not used for any business or commercial purpose. The owner would have to file a conditional rescission form prescribed by the Department of Treasury with the local tax collecting unit by May 1. Under the Act, a principal residence is exempt from the tax levied by a school district for school operating purposes to the extent provided under the Revised School Code. If an owner is eligible for and claims an exemption for his or her current principal residence, he or she may retain an exemption for up to three tax years on property previously exempt as his or her principal residence if that property is not occupied, is for sale, is not leased, and is not used for any business or commercial purpose. To retain the exemption, the owner must file a conditional rescission form with the local tax collecting unit.

- SB 282 was passed [RC 172: 36 yes, 0 no, 1 excused]

[SB 321](#)

(Kahn)

The bill would amend the Mental Health Code to allow a community mental health services authority or organization formed under Chapter 2 (County Community Mental Health Programs), by resolution, to authorize the formation of a nonprofit entity to provide information technology and other integral administrative support services for organizations engaged in providing mental and behavioral health services, social services, substance abuse services, human services, or other health care services. The CMH services authority or organization could do so in furtherance of the public purpose of meeting the needs of the populations served by that authority or organization in Michigan. The authority or organization also could enter into contracts with and provide funding for or receive funding from the nonprofit entity for those purposes. Funds that the authority or organization received from such a nonprofit entity would be considered local funds and could not be used to support or match any Federal programs. No

funds from State appropriations allocated to the authority or organization or Federal funds could be used to establish the nonprofit entity.

- SB 321 was passed [RC 173: 36 yes, 0 no, 1 excused]

SB 141 (Olshove)

The bill (S-1) would amend the General Property Tax Act to allow an owner of property who was absent from his or her principal residence while under the care his or her mother, father, sister, brother, spouse, child, stepchild, adopted child, grandchild, step-grandchild, or adopted grandchild to claim an exemption for his or her principal residence if that property were not occupied, not leased, and not used for any business or commercial purpose, if the owner did not claim an exemption for other property, and filed the required affidavit. Under the Act, a principal residence is exempt from the tax levied by a school district for school operating purposes to the extent provided under the Revised School Code. To claim the exemption, an owner of property must file an affidavit by May 1 with the local tax collecting unit in which the property is located. The affidavit must state that the property is owned and occupied as a principal residence by that property owner.

- SB 141 was passed [RC 174: 36 yes, 0 no, 1 excused]

SB 432 (Clarke)

The bill (S-1) would amend the Michigan Liquor Control Code to allow the Liquor Control Commission to issue a license to a private entity for the sale of alcoholic liquor for consumption on the licensed premises of a restaurant located on land owned by Wayne State University, if both of the following circumstances existed:

- The land was leased or subleased at fair market value to a private entity that owned, leased, or subleased the restaurant.
- The restaurant was located within an area designated for industrial, research, or commercial development by the WSU governing board.

Issuance of a license under the bill would be subject to Section 531 of the Code (which prohibits the granting of an on-premises license in excess of one license for each 1,500 of population and provides for the transfer of on-premises escrowed licenses).

- SB 432 was passed [RC 175: 36 yes, 0 no, 1 excused]

SB 490 (Gilbert)

The bill would amend the Mackinac Bridge Authority (MBA) law to permit the MBA to enter into an agreement with the Michigan Department of Transportation (MDOT) to provide for the self-insurance of bridge assets and activities.

- SB 490 was passed [RC 176: 36 yes, 0 no, 1 excused]

GENERAL ORDERS

SB 433

(Sanborn)

The bill would amend the Michigan Vehicle Code to permit the driver or owner of a vehicle, if he or she did not pay the full amount of civil fines and costs owed for a violation of vehicle weight limits, to post a bond in the amount owed, rather than double the amount as currently required.

- **SB 433 advanced to 3rd Reading**

SB 264

(Hunter)

The bill (S-1) would create the "Fire Safety Standard and Firefighter Protection Act", effective January 1, 2010, to do the following:

- Prescribe testing requirements and a performance standard for cigarettes sold in Michigan.
- Require cigarettes sold in Michigan to be certified and marked by the manufacturer.
- Prescribe a three-year, \$1,250 certification fee.
- Allow a manufacturer to use an alternative test method and performance standard, under certain circumstances.
- Require the Department of Energy, Labor, and Economic Growth (DELEG) to review the effectiveness of the testing and performance standard requirements every three years and report its findings to the Legislature.
- Create the "Fire Safety Standard and Firefighter Protection Act Enforcement Fund" for processing, testing, enforcement, and oversight activities under the proposed Act, and allocate certification fees to this Fund.
- Prescribe civil fines for violations of the proposed Act.
- Create the "Cigarette Fire Safety Standard and Firefighter Protection Act Fund" for fire safety and prevention programs, and allocate civil fine revenue to this Fund.
- Authorize DELEG to promulgate rules to implement and enforce the Act.
- Authorize specified State and local officials to conduct examinations to enforce the Act.
- Repeal the Act if a Federal performance standard were adopted.
- Prohibit local regulation that conflicted with the Act.

- **Committee substitute adopted**
- **SB 264 advanced to 3rd Reading**

SB 416

(Switalski)

Senate Bill 416 would amend the School Bond Qualification, Approval, and Loan Act to change the provisions for determining the rate of interest assessed school districts that borrow from the School Loan Revolving Fund. Under current law, the interest rate assessed on school loans is tied to the rate on State general obligation (G.O.) bonds previously issued to fund school district loans. However, the bonds the State now issues to finance the School Loan Revolving Fund are non-G.O. bonds issued through the Michigan Municipal Bond Authority and the interest rate on these bonds may not be the same as the G.O. bond rate. Currently, schools are repaying their

loans at interest rates that are less than is needed to pay off the Michigan Municipal Bond Authority bonds. The School Loan Revolving Fund is intended to be a self-supporting revolving fund, but the current gap between the cost of funds and the interest rates assessed on the school loans is undermining the financial integrity of the Fund and eventually the Fund will be unable to make loans to schools. To remedy this situation, the bill would allow rates on loans made to schools to be tied to the rates on the Michigan Municipal Bond Authority bonds issued to fund the School Loan Revolving Fund. This would match the cost of funds and the rates charged on the school loans. The bill also would continue to allow 0.125% to be added to the school loan rate in order to help sustain the security of the Fund. If there is a situation in which no bonds issued by the Michigan Municipal Bond Authority to fund the School Loan Revolving Fund are outstanding, the bill would allow the rate charged on school loans to be tied to the State's G.O. rate, because under this circumstance, G.O. bonds would be needed in order to support this loan program. The bill also includes a provision that would allow the State Treasurer to lower the school loan rates that would otherwise be required under this bill if it were necessary to do so in order to comply with Federal requirements.

- **SB 416 advanced to 3rd Reading**

SB 480

(Kahn)

Senate Bill 480 would amend the Michigan Business Tax Act to reduce the amount of Michigan Business Tax (MBT) revenue earmarked to the School Aid Fund (SAF). The purpose of this reduction in the SAF earmarking would be to offset new revenue the SAF will begin receiving in FY 2008-09 from the new use tax on medical services provided by Medicaid managed care organizations, which was enacted in Public Act 440 of 2008 and went into effect on April 1, 2009. The revenue from this new use tax is intended to help finance Medicaid-funded services; however, due to the constitutionally required distribution of a portion of use tax revenue, not all of the revenue from this new use tax will be available for its intended purpose. The use tax is assessed at a 6.0% rate and the revenue generated from 4 percentage points of the tax is statutorily earmarked to the General Fund and the revenue generated from the remaining 2 percentage points of the tax is constitutionally earmarked to the School Aid Fund. While the General Fund portion of this new use tax can be appropriated for its intended purpose, the portion that will go to the SAF must be used for educational purposes. Therefore, to ensure that an amount of revenue equal to the revenue that will be generated by the new use tax is indeed available to be used to help fund Medicaid services, and to ensure that all use tax revenue is distributed in compliance with the constitutional requirements, this bill would reduce the amount of revenue the SAF otherwise will receive from the MBT by an amount equal to the new revenue the SAF will be receiving from the new use tax on Medicaid managed care organizations. This change in the MBT earmarking would increase revenue in the General Fund where it could be appropriated to help fund Medicaid services.

- **SB 480 advanced to 3rd Reading**

SB 494**(Jelinek)**

Senate Bills **494 (S-1), 495, and 540** would amend the Michigan Vehicle Code, the Natural Resources and Environmental Protection Act, and the Act that provides for a State personal identification card, respectively, to provide for revenue generated from a variety of fees to be deposited in the renamed "Department of State Operations Fund", beginning October 1, 2009. Under Senate Bill 494 (S-1), beginning October 1, 2009, the Transportation Administration Collection Fund (TACF) would be known as the Department of State Operations Fund (DSOF). Currently, a number of driver license fees, vehicle title and registration service fees, and commercial look-up fees are earmarked to the TACF. Senate Bill 494 (S-1) would refer to the deposit of these fees into the DSOF, instead of the TACF, as well as set a sunset of September 30, 2012, on the collection of registration transfer and expeditious title fees. Senate Bill 494 (S-1) also would repeal the sunset of October 1, 2009, on the collection of certain fees. Similarly, Senate Bill 495 would refer to the deposit of look-up fees for watercraft, off-road vehicles, and snowmobiles into the DSOF, instead of the TACF. Finally, Senate Bill 540 would refer to the deposit of look-up fees for personal identification cards into the DSOF instead of the TACF.

- Committee substitute S-2 adopted
- SB 494 advanced to 3rd Reading

SB 495**(Jelinek)**

- SB 495 advanced to 3rd Reading

SB 540**(Jelinek)**

- SB 540 advanced to 3rd Reading