

Senate Watch

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



5/14/09

MESSAGES FROM THE GOVERNOR

Advise and Consent to the appointment of Sue C. Carnell to the GVSU Board of Control.

- The appointment was consented to [RC 177: 36 yes, 0 no, 1 not voting]

Advise and Consent to the appointment of David L. Way to the GVSU Board of Control.

- The appointment was consented to [RC 178: 37 yes, 0 no]

Advise and Consent to the appointment of Thomas L. Baldini to the Michigan Tech. University Board of Control.

- The appointment was consented to [RC 179: 37 yes, 0 no]

THIRD READING

[SB 358](#)

(Kahn)

The bill would amend the Local Development Financing Act to allow the Michigan Economic Development Corporation (MEDC) to designate two additional certified technology parks (Smartzones) between June 1, 2009, and December 31, 2009.

- SB 358 was passed [RC 187: 37 yes, 0 no]

[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 was passed [RC 180: 37 yes, 0 no]

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.

- SB 264 was passed [RC 181: 37 yes, 0 no]

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 was passed [RC 162: 37 yes, 0 no]

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 was passed [RC 163: 37 yes, 0 no]

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.

- SB 494 was passed [RC 164: 37 yes, 0 no]

SB 495 (Jelinek)

- SB 495 was passed [RC 165: 37 yes, 0 no]

SB 540 (Jelinek)

- SB 540 was passed [RC 166: 37 yes, 0 no]

GENERAL ORDERS

SB 113 (McManus)

The bill would amend the Michigan Campaign Finance Act to require the Secretary of State to do the following:

- Post on the internet, within 60 business days after receiving a rebuttal statement, or if no response or rebuttal were received, whether there could be reason to believe that a violation of the Act had occurred.
- Post on the internet any complaint, response, or rebuttal statement within five business days after determining that a violation could have occurred.
- Commence a formal hearing or refer the matter to the Attorney General if, after 30 business days, a violation could not be corrected by informal methods.

The bill also would make it mandatory that the SOS impose a fine for an improper contribution or expenditure, and would increase the fine to triple the amount of the contribution or expenditure.

- Committee substitute S-1 adopted
- McManus 1A adopted
- SB 113 advanced to 3rd Reading

RESOLUTIONS

SR 53 (Pappageorge)

A resolution to express support for Michigan companies applying for Department of Energy advanced battery grants.

- SR 53 was adopted