

No. 56
STATE OF MICHIGAN
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House of Representatives
92nd Legislature
REGULAR SESSION OF 2003

House Chamber, Lansing, Wednesday, June 25, 2003.

1:00 p.m.

The House was called to order by the Speaker Pro Tempore.

The roll was called by the Clerk of the House of Representatives, who announced that a quorum was present.

Accavitti—present	Garfield—present	Meyer—present	Sheen—present
Acciavatti—present	Gieleghem—present	Middaugh—present	Sheltrown—present
Adamini—excused	Gillard—present	Milosch—present	Shulman—present
Amos—present	Gleason—present	Minore—present	Smith—present
Anderson—present	Hager—present	Moolenaar—present	Spade—present
Bieda—present	Hardman—present	Mortimer—present	Stahl—present
Bisbee—present	Hart—present	Murphy—present	Stakoe—present
Bradstreet—present	Hood—present	Newell—present	Stallworth—present
Brandenburg—present	Hoogendyk—present	Nitz—present	Steil—present
Brown—present	Hopgood—present	Nofs—present	Stewart—present
Byrum—present	Howell—present	O’Neil—present	Tabor—present
Casperson—present	Huizenga—present	Paletko—present	Taub—present
Caswell—present	Hummel—present	Palmer—present	Tobocman—present
Caul—present	Hune—present	Palsrok—present	Vagnozzi—present
Cheeks—present	Hunter—present	Pappageorge—present	Van Regenmorter—present
Clack—present	Jamnick—present	Pastor—present	Vander Veen—present
Condino—present	Johnson, Rick—present	Phillips—present	Voorhees—present
Daniels—present	Johnson, Ruth—present	Plakas—present	Walker—present
Dennis—present	Julian—present	Pumford—present	Ward—present
DeRoche—present	Koetje—excused	Reeves—present	Waters—present
DeRossett—present	Kolb—present	Richardville—present	Wenke—present
Drolet—present	Kooiman—present	Rivet—present	Whitmer—present
Ehardt—present	LaJoy—present	Robertson—present	Williams—present
Elkins—present	LaSata—present	Rocca—present	Wojno—present
Emmons—present	Law—present	Sak—present	Woodward—present
Farhat—present	Lipsey—present	Shackleton—present	Woronchak—present
Farrah—present	McConico—present	Shaffer—present	Zelenko—present
Gaffney—present	Meisner—present		

e/d/s = entered during session

Rep. Mary Ann Middaugh, from the 80th District, offered the following invocation:

“We pause a few minutes today, Lord, before we begin our session, to give You thanks for all the blessings You have bestowed upon our state and nation. We’re thankful for our freedom and for those individuals who have defended our freedom. Be with each of us today. Instill in us a portion of Your wisdom and insight. Use us as vessels for Your love and mercy. In Your name we pray. Amen.”

Rep. Richardville moved that House Committees be given leave to meet during the balance of today’s session. The motion prevailed.

Rep. Palmer moved that Rep. Koetje be excused from today’s session. The motion prevailed.

Rep. Waters moved that Rep. Adamini be excused from today’s session. The motion prevailed.

Reports of Select Committees

First Conference Report

The Committee of Conference on the matters of difference between the two Houses concerning **House Bill No. 4390, entitled**

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2004; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

Recommends:

First: That the House and Senate agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2004; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of corrections for the fiscal year ending September 30, 2004, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF CORRECTIONS

APPROPRIATION SUMMARY:

Average population	50,782	
Full-time equated unclassified positions	16.0	
Full-time equated classified positions	18,296.7	
GROSS APPROPRIATION		\$ 1,724,507,200
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	3,253,600	
ADJUSTED GROSS APPROPRIATION		\$ 1,721,253,600

	For Fiscal Year Ending Sept. 30, 2004
Federal revenues:	
Total federal revenues	27,798,400
Special revenue funds:	
Total local revenues	391,100
Total private revenues	0
Total other state restricted revenues	\$ 60,858,800
State general fund/general purpose	\$ 1,632,205,300
Sec. 102. EXECUTIVE	
Full-time equated unclassified positions	16.0
Full-time equated classified positions	293.2
Unclassified positions—16.0 FTE positions	\$ 1,317,200
Executive direction—76.5 FTE positions	7,564,400
Human resources—216.7 FTE positions	15,752,000
Training	3,000,000
Worker’s compensation	24,126,000
GROSS APPROPRIATION	\$ 51,759,600
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDSP, Michigan justice training fund	638,600
State general fund/general purpose	\$ 51,121,000
Sec. 103. ADMINISTRATION AND PROGRAMS	
Average population	480
Full-time equated classified positions	302.9
Planning, research, and records—22.0 FTE positions	\$ 1,525,000
Administrative services—59.9 FTE positions	4,657,000
Substance abuse testing and treatment	20,070,800
Inmate legal services.....	314,900
Prison industries operations—220.0 FTE positions	16,312,000
Rent	2,095,200
Equipment and special maintenance.....	2,054,000
Compensatory buyout and union leave bank	275,000
Michigan youth correctional facility - management services.....	13,568,300
Michigan youth correctional facility - administration—1.0 FTE positions.....	145,600
Average population	480
Michigan youth correctional facility - lease payments	5,646,100
Prosecutorial and detainer expenses	4,051,000
GROSS APPROPRIATION	\$ 70,714,900
Appropriated from:	
Federal revenues:	
DOJ - office of justice programs, RSAT	2,349,300
DOJ - office of justice programs, VOI/TIS	18,089,400
Special revenue funds:	
Correctional industries revolving fund	16,312,000
State general fund/general purpose	\$ 33,964,200
Sec. 104. FIELD OPERATIONS ADMINISTRATION	
Average population	581
Full-time equated classified positions	2,217.9
Field operations—1,842.2 FTE positions	\$ 126,026,400
Parole board operations—29.0 FTE positions	2,178,800
Loans to parolees	294,400
Parole/probation services	3,867,300
Corrections centers—70.0 FTE positions	8,860,300
Average population	581
Electronic monitoring center—49.4 FTE positions	6,002,100
Technical rule violator program—96.3 FTE positions.....	9,147,600
Special alternative incarceration program—131.0 FTE positions	10,320,900
GROSS APPROPRIATION	\$ 166,697,800

For Fiscal Year
Ending Sept. 30,
2004

Appropriated from:	
Special revenue funds:	
Local-community tether program reimbursement	391,100
Parole and probation oversight fees	7,674,900
Tether program participant contributions	6,431,500
Parole and probation oversight fees set-aside.....	3,867,300
Corrections centers resident contributions revenue	1,407,800
Technical rule violator program public works user fees	163,500
Special alternative incarceration program public works user fees	119,000
State general fund/general purpose	\$ 146,642,700
Sec. 105. COMMUNITY CORRECTIONS	
Full-time equated classified positions	16.0
Community corrections administration—16.0 FTE positions	\$ 1,394,300
Probation residential centers	15,034,500
Community corrections comprehensive plans and services	13,066,900
Public education and training	50,000
Regional jail program	100
Local facility housing program	2,451,000
Felony drunk driver jail reduction and community treatment program.....	3,000,000
County jail reimbursement program	13,249,000
GROSS APPROPRIATION.....	\$ 48,245,800
Appropriated from:	
Special revenue funds:	
Telephone fees and commissions	13,192,100
Civil infraction fees	7,000,000
State general fund/general purpose	\$ 28,053,700
Sec. 106. CONSENT DECREES	
Average population	400
Full-time equated classified positions	526.0
Hadix consent decree—138.0 FTE positions.....	\$ 10,784,000
DOJ consent decree—161.5 FTE positions	11,329,900
DOJ psychiatric plan - MDCH mental health services	68,291,200
DOJ psychiatric plan - MDOC staff and services—226.5 FTE positions	15,483,400
GROSS APPROPRIATION.....	\$ 105,888,500
Appropriated from:	
State general fund/general purpose	\$ 105,888,500
Sec. 107. HEALTH CARE	
Full-time equated classified positions	955.9
Health care administration—18.0 FTE positions	\$ 2,153,800
Hospital and specialty care services.....	60,800,200
Vaccination program	991,200
Northern region clinical complexes—234.9 FTE positions	26,371,300
Southeastern region clinical complexes—398.6 FTE positions	50,379,200
Southwestern region clinical complexes—304.4 FTE positions	30,208,200
GROSS APPROPRIATION.....	\$ 170,903,900
Appropriated from:	
Special revenue funds:	
Prisoner health care copayments	301,200
State general fund/general purpose	\$ 170,602,700
Sec. 108. CORRECTIONAL FACILITIES-ADMINISTRATION	
Average population	485
Full-time equated classified positions	597.5
Correctional facilities administration—45.0 FTE positions.....	\$ 4,173,000
Housing inmates in federal institutions	554,100
Education services and federal education grants—10.0 FTE positions.....	5,615,700
Federal school lunch program	712,800

	For Fiscal Year Ending Sept. 30, 2004
Leased beds and alternatives to leased beds.....	100
Inmate housing fund—118.0 FTE positions	2,461,900
Average population	485
Academic/vocational programs—424.5 FTE positions	33,679,800
GROSS APPROPRIATION.....	\$ 47,197,400
Appropriated from:	
Federal revenues:	
DOJ BOP - federal prisoner reimbursement.....	372,600
DED - OESE title 1	512,600
DED - OVAE adult education	1,859,200
DED - adult literacy grants	302,800
DED - OSERS	99,400
DED - vocational education equipment.....	272,700
DED - youthful offender/Specter grant	1,266,700
DOJ OJP - serious and violent offender reintegration initiative	1,000,000
DAG - FNS national school lunch	712,800
SSA - SSI incentive payment.....	100,000
State general fund/general purpose	\$ 40,698,600
Sec. 109. NORTHERN REGION CORRECTIONAL FACILITIES	
Average population	14,253
Full-time equated classified positions	4,263.2
Alger maximum correctional facility-Munising—362.8 FTE positions	\$ 27,917,600
Average population	849
Baraga maximum correctional facility-Baraga—425.4 FTE positions	31,433,400
Average population	1,084
Chippewa correctional facility-Kincheloe—513.7 FTE positions.....	39,148,700
Average population	2,182
Kinross correctional facility-Kincheloe—560.7 FTE positions	45,167,700
Average population	2,423
Marquette branch prison-Marquette—403.4 FTE positions	32,565,800
Average population	1,129
Newberry correctional facility-Newberry—345.4 FTE positions.....	25,950,500
Average population	1,144
Oaks correctional facility-Eastlake—378.6 FTE positions	29,565,400
Average population	900
Ojibway correctional facility-Marenisco—287.4 FTE positions	21,797,900
Average population	1,202
Pugsley correctional facility-Kingsley—220.4 FTE positions	16,489,700
Average population	954
Saginaw correctional facility-Freeland—360.8 FTE positions.....	28,525,800
Average population	1,480
Standish maximum correctional facility-Standish—404.6 FTE positions	31,292,400
Average population	906
GROSS APPROPRIATION.....	\$ 329,854,900
Appropriated from:	
Special revenue funds:	
Camps public works user fees.....	396,600
Resident stores	916,200
State general fund/general purpose	\$ 328,542,100
Sec. 110. SOUTHEASTERN REGION CORRECTIONAL FACILITIES	
Average population	16,853
Full-time equated classified positions	4,782.6
Cooper street correctional facility-Jackson—268.2 FTE positions	\$ 22,143,700
Average population	1,360
G. Robert Cotton correctional facility-Jackson—431.7 FTE positions	33,393,300
Average population	1,734

	For Fiscal Year Ending Sept. 30, 2004
Charles E. Egeler correctional facility-Jackson—414.2 FTE positions.....	32,508,500
Average population	1,106
Gus Harrison correctional facility-Adrian—500.0 FTE positions.....	38,991,100
Average population	2,200
Huron Valley correctional facility-Ypsilanti—277.6 FTE positions.....	21,070,200
Average population	510
Macomb correctional facility-New Haven—361.9 FTE positions	27,585,500
Average population	1,468
Mound correctional facility-Detroit—340.2 FTE positions	25,128,300
Average population	1,051
Parnall correctional facility-Jackson—265.0 FTE positions	21,744,600
Average population	1,378
Ryan correctional facility-Detroit—333.1 FTE positions	25,443,100
Average population	1,059
Robert Scott correctional facility-Plymouth—424.9 FTE positions.....	32,105,500
Average population	1,261
Southern Michigan correctional facility-Jackson—420.0 FTE positions	29,707,600
Average population	1,481
Thumb correctional facility-Lapeer—375.3 FTE positions.....	29,584,800
Average population	1,467
Western Wayne correctional facility-Plymouth—272.5 FTE positions	21,772,400
Average population	778
Jackson area support and services—98.0 FTE positions	16,445,100
GROSS APPROPRIATION.....	\$ 377,623,700
Appropriated from:	
Intradepartmental transfer revenues:	
IDT, production kitchen user fees	2,615,000
Federal revenues:	
DOJ - state criminal alien assistance program.....	860,900
Special revenue funds:	
Camps public works user fees.....	274,600
Resident stores	1,291,600
State general fund/general purpose	\$ 372,581,600
Sec. 111. SOUTHWESTERN REGION CORRECTIONAL FACILITIES	
Average population	17,730
Full-time equated classified positions	4,341.5
Bellamy Creek correctional facility-Ionia—450.8 FTE positions.....	\$ 34,085,000
Average population	1,830
Earnest C. Brooks correctional facility-Muskegon—481.7 FTE positions.....	38,461,000
Average population	2,200
Carson City correctional facility-Carson City—530.8 FTE positions.....	41,448,300
Average population	2,200
Florence Crane correctional facility-Coldwater—392.0 FTE positions	31,368,100
Average population	1,560
Deerfield correctional facility-Ionia—198.4 FTE positions.....	16,285,700
Average population	960
Richard A. Handlon correctional facility-Ionia—257.0 FTE positions.....	21,109,900
Average population	1,320
Ionia maximum correctional facility-Ionia—359.6 FTE positions.....	26,733,700
Average population	636
Lakeland correctional facility-Coldwater—283.5 FTE positions	22,965,000
Average population	1,256
Muskegon correctional facility-Muskegon—265.4 FTE positions	22,442,000
Average population	1,310
Pine River correctional facility-St. Louis—215.6 FTE positions.....	17,032,100
Average population	960

	For Fiscal Year Ending Sept. 30, 2004
Riverside correctional facility-Ionia—308.5 FTE positions	26,478,200
Average population	1,244
St. Louis correctional facility-St. Louis—598.2 FTE positions	44,822,900
Average population	2,254
GROSS APPROPRIATION.....	\$ 343,231,900
Appropriated from:	
Special revenue funds:	
Camps public works user fees.....	139,000
Resident stores.....	1,362,500
State general fund/general purpose	\$ 341,730,400
Sec. 112. INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 12,388,800
GROSS APPROPRIATION.....	\$ 12,388,800
Appropriated from:	
Special revenue funds:	
Correctional industries revolving fund.....	9,000
State general fund/general purpose	\$ 12,379,800

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2003-2004 is \$1,693,064,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2003-2004 is \$81,068,000.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF CORRECTIONS

Field operations - assumption of county probation staff.....	\$ 37,313,900
Prosecutorial and detainer expenses.....	4,051,000
Public service work projects	9,100,600
Community corrections comprehensive plans and services	13,066,900
Community corrections probation residential centers.....	15,034,500
Local facility housing program	2,451,000
Community corrections public education and training	50,000
Regional jail program	100
TOTAL	\$ 81,068,000

Sec. 202. The appropriations authorized under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this act:

- (a) "DAG" means the United States department of agriculture.
- (b) "DAG - FNS" means the DAG food and nutrition service.
- (c) "DED" means the United States department of education.
- (d) "DED - OESE" means the DED office of elementary and secondary education.
- (e) "DED - OSERS" means the DED office of special education and rehabilitative services.
- (f) "DED - OVAE" means the DED office of vocational and adult education.
- (g) "Department" or "MDOC" means the Michigan department of corrections.
- (h) "DOJ" means the United States department of justice.
- (i) "DOJ BOP" means the DOJ bureau of prisons.
- (j) "DOJ OJP" means the DOJ office of justice programs.
- (k) "FTE" means full-time equated.
- (l) "IDG" means interdepartmental grant.
- (m) "IDT" means intradepartmental transfer.
- (n) "MDCH" means the Michigan department of community health.
- (o) "MDSP" means the Michigan department of state police.
- (p) "OCC" means office of community corrections.
- (q) "RSAT" means residential substance abuse treatment.
- (r) "SSA" means the United States social security administration.
- (s) "SSA - SSI" means SSA supplemental security income.
- (t) "VOI/TIS" means violent offender incarceration/truth in sentencing.

Sec. 204. The department of civil service shall bill departments and agencies at the end of the first fiscal quarter for the 1% charge authorized by section 5 of article XI of the state constitution of 1963. Payments shall be made for the total amount of the billing by the end of the second fiscal quarter.

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

(2) The state budget director shall grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause a loss of revenue to the state, result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Sec. 207. At least 120 days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 30 months.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

Sec. 209. Funds appropriated in part 1 should not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods and services, or both, are available. Preference should be given to goods and services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable value.

Sec. 210. The director of each department receiving appropriations in part 1 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 211. (1) Pursuant to the provisions of civil service rules and regulations and applicable collective bargaining agreements, individuals seeking employment with the department shall submit to a controlled substance test. The test shall be administered by the department.

(2) Individuals seeking employment with the department who refuse to take a controlled substance test or who test positive for the illicit use of a controlled substance on such a test shall be denied employment.

Sec. 212. The department may charge fees and collect revenues in excess of appropriations in part 1 not to exceed the cost of offender services and programming, employee meals, academic/vocational services, custody escorts, compassionate visits, union steward activities, public work programs, and emergency services provided to units of government. The revenues and fees collected shall be appropriated for all expenses associated with these services and activities.

Sec. 213. Of the state general fund/general purpose revenue appropriated in part 1, \$579,242,500.00 represents a state spending increase over the amount provided to the department for the fiscal year ending September 30, 1994, and may be used to meet state match requirements of programs contained in the violent crime control and law enforcement act of 1994, Public Law 103-322, 108 Stat. 1796, or successor grant programs, so that any additional federal funds received shall supplement funding provided to the department in part 1.

Sec. 214. The department shall provide quarterly reports on the Michigan youth correctional facility to the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. The reports shall provide information relevant to an assessment of the safety and security of the institution, including, but not limited to, information on the number of critical incidents by type occurring at the facility, the number of custody staff at the facility, staff turnover rates, staff vacancy rates, overtime reports, prisoner grievances, and number and severity of assaults occurring at the facility. The reports also shall provide information on programming available at the facility and on program enrollments, including, but not limited to, academic/vocational programs, counseling programs, mental health treatment programs, substance abuse treatment programs, and cognitive restructuring programs.

Sec. 215. The department shall require the contract monitor for the Michigan youth correctional facility to provide a manual to each prisoner at intake that details programs and services available at the facility, the processes by which prisoner complaints and grievances can be pursued, and the identity of staff available at the facility to answer questions regarding the information in the manual. The contract monitor shall obtain written verification of receipt from each prisoner receiving the manual. The contract monitor also shall answer prisoner questions regarding facility programs, services, and grievance procedures.

Sec. 216. As a condition of expending funds appropriated in part 1 for the Michigan youth correctional facility, the department shall use electronic mail to notify the members of the senate and house appropriations subcommittees on corrections and the senate and house fiscal agencies that an invitation to bid, request for proposals, or similar document pertaining to management services for the Michigan youth correctional facility has been issued and shall provide a link to an Internet or Intranet site from which the document can be viewed and downloaded. The electronic mail shall be sent on the same day the document is made available to the public.

Sec. 217. The bureau of health care services shall develop information on Hepatitis C prevention and the risks associated with exposure to Hepatitis C, and the health care providers shall disseminate this information verbally and in writing to each prisoner at the health screening and full health appraisal conducted at admissions, at the annual health care screening 1 week before or after a prisoner's birthday, and prior to release to the community by parole, transfer to community residential placement, or discharge on the maximum.

Sec. 218. (1) As a condition of expenditure of appropriations for health care made under part 1, the department shall conduct a seroprevalence study to determine the incidence of infection with Hepatitis C among the intake population and reliability of self-reported information pertinent to high-risk behaviors and the incidence of Hepatitis C infection. The study shall consist of testing each incoming prisoner for infection with the Hepatitis C virus and the collection of pertinent self-reported information. The study shall continue for as long as necessary to collect statistically significant data that will enable the department to assess the incidence of Hepatitis C in the prison intake.

(2) The department shall report the results of the study to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director as soon as practicable after completion, but no later than April 1, 2004.

Sec. 219. From the funds appropriated in part 1, the department shall offer an alanine aminotransferase (ALT) test to each prisoner who has received positive parole action. An explanation of results of the test shall be provided confidentially to the prisoner prior to release on parole, and if appropriate based on the test results, the prisoner shall also be provided a recommendation to seek follow-up medical attention in the community. The test shall be voluntary; if the prisoner refuses to be tested, that decision shall not affect parole release, conditions of parole, or parole supervision.

Sec. 220. By April 1, 2004, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on academic/vocational programs for the most recently completed appropriation year. The report shall provide information relevant to an assessment of the department's academic and vocational programs, including, but not limited to, the following:

(a) The number of prisoners enrolled in each program, the number of prisoners completing each program, and the number of prisoners on waiting lists for each program.

(b) The steps the department has undertaken to improve programs and reduce waiting lists.

(c) An explanation of the value and purpose of each program, e.g., to improve employability, reduce recidivism, reduce prisoner idleness, or some combination of these and other factors.

(d) An identification of program outcomes for each academic and vocational program.

(e) An explanation of the department's plans for academic and vocational programs.

Sec. 221. By February 15, 2004, the department shall provide the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with a report detailing nongeneral fund/general purpose sources of revenue, including but not limited to, federal revenues, state restricted revenues, local and private revenues, offender reimbursements and other payments, revolving funds, and 1-time sources of revenue, whether or not such revenues were appropriated. The report shall include statements detailing for each account the total amount of revenue received during fiscal year 2002-2003, the amount by which the revenue exceeded any applicable appropriated fund source, the amount spent during fiscal year 2002-2003, the account balance at the close of fiscal year 2002-2003, and the projected revenues and expenditures for fiscal year 2003-2004.

Sec. 222. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

Sec. 223. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support department of corrections technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 224. By October 15, 2003, the department shall report to the senate and house appropriations subcommittees on corrections and the senate and house fiscal agencies a detailed plan of how the department will implement reductions in order to compensate for unfunded economic increases in salaries, insurance, and retirement rates. The report shall include, but not be limited to, the department's plan for layoffs, program changes and eliminations, prisoner release, and facility closures.

SUBSTANCE ABUSE TESTING AND TREATMENT

Sec. 301. (1) The department shall screen and assess each prisoner for alcohol and other drug involvement to determine the need for further treatment. The assessment process shall be designed to identify the severity of alcohol and other drug addiction and determine the treatment plan, if appropriate.

(2) Subject to the availability of funding resources, the department shall provide substance abuse treatment to prisoners with priority given to those prisoners who are most in need of treatment and who can best benefit from program intervention based on the screening and assessment provided under subsection (1).

Sec. 302. (1) In expending residential substance abuse treatment services funds appropriated by this act, the department shall ensure to the maximum extent possible that residential substance abuse treatment services are available statewide.

(2) It is the intent of the legislature that the funds appropriated in part 1 for substance abuse testing and treatment be fully expended for that purpose.

(3) By April 1, 2004, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the allocation, distribution, and expenditure of all funds appropriated by the substance abuse testing and treatment line item during fiscal year 2002-2003 and projected for fiscal year 2003-2004. The report shall include, but not be limited to, an explanation of an anticipated year-end balance, the number of participants in substance abuse programs, and the number of offenders on waiting lists for residential substance abuse programs. Information required by this subsection shall, where possible, be separated by MDOC administrative region and by offender type, including, but not limited to, a distinction between prisoners, parolees, and probationers.

EXECUTIVE

Sec. 401. The department shall submit 3-year and 5-year prison population projection updates by February 1, 2004 to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director.

Sec. 402. The department shall prepare by April 1, 2004 individual reports for the technical rule violator program, the community residential program, the electronic tether program, and the special alternative to incarceration program. The reports shall be submitted to the house and senate appropriations subcommittees on corrections, the house and senate fiscal agencies, and the state budget director. The reports shall include the following:

- (a) Monthly new participants.
- (b) Monthly participant unsuccessful terminations, including cause.
- (c) Number of successful terminations.
- (d) End month population by facility/program.
- (e) Average length of placement.
- (f) Return to prison statistics.
- (g) Description of program location(s), capacity, and staffing.
- (h) Sentencing guideline scores and actual sentence statistics for participants, if applicable.
- (i) Comparison with prior year statistics.
- (j) Analysis of the impact on prison admissions and jail utilization and the cost effectiveness of the program.

Sec. 403. From the funds appropriated in part 1, the department shall continue to maintain county jail services staff sufficient to enable the department to continue to fulfill its functions of providing technical support, inspections of county jails, and maintenance of the jail reimbursement program.

Sec. 404. The department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director by April 1, 2004 on the ratio of correctional officers to prisoners for each correctional institution, the ratio of shift command staff to line custody staff, and the ratio of noncustody institutional staff to prisoners for each correctional institution.

Sec. 405. (1) The department shall review and revise as necessary policy proposals that provide alternatives to prison for offenders being sentenced to prison as a result of technical probation violations and technical parole violations. To the extent the department has insufficient policies or resources to affect the continued increase in prison commitments among these offender populations, the department shall explore other policy options to allow for program alternatives, including department or OCC-funded programs, local level programs, and programs available through private agencies that may be used as prison alternatives for these offenders.

(2) To the extent policies or programs described in subsection (1) are used, developed, or contracted for, the department may request that funds appropriated in part 1 be transferred under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, for their operation.

(3) The department shall continue to utilize parole violator processing guidelines that require parole agents to utilize all available appropriate community-based, nonincarcerative postrelease sanctions and services when appropriate. The department shall periodically evaluate such guidelines for modification, in response to emerging information from the pilot projects for substance abuse treatment provided under this act and applicable provisions of prior budget acts for the department.

(4) By March 1, 2004, the department shall report to the senate and house appropriations subcommittees on corrections, senate and house fiscal agencies, and state budget director on the effect that any recommended policy changes for technical violators of parole and technical violators of probation would have on admission to prison and jail and the impact on other program alternatives.

Sec. 406. From the funds allocated in part 1, the department shall conduct a cost/benefit analysis of privatizing prisoner transportation services and shall report the findings of this cost/benefit analysis to the senate and house appropriations subcommittees on corrections and the senate and house fiscal agencies by January 1, 2004.

ADMINISTRATION AND PROGRAMS

Sec. 501. From the funds appropriated in part 1 for prosecutorial and detainer expenses, the department shall reimburse counties for housing and custody of parole violators and offenders being returned by the department from community placement who are available for return to institutional status and for prisoners who volunteer for placement in a county jail.

FIELD OPERATIONS ADMINISTRATION

Sec. 601. From the funds appropriated in part 1, the department shall conduct a statewide caseload audit of field agents. The audit shall address public protection issues and assess the ability of the field agents to complete their professional duties. The results of the audit shall be submitted to the senate and house appropriations subcommittees on corrections and the senate and house fiscal agencies, and the state budget office by September 30, 2004.

Sec. 602. (1) Of the amount appropriated in part 1 for field operations, a sufficient amount shall be allocated for the community service work program and shall be used for salaries and wages and fringe benefit costs of community service coordinators employed by the department to supervise offenders participating in work crew assignments. Funds shall also be used to cover motor transport division rates on state vehicles used to transport offenders to community service work program sites.

(2) The community service work program shall provide offenders with community service work of tangible benefit to a community while fulfilling court-ordered community service work sanctions and other postconviction obligations.

(3) As used in this section, "community service work" means work performed by an offender in an unpaid position with a nonprofit or tax-supported or government agency for a specified number of hours of work or service within a given time period.

Sec. 603. (1) All prisoners, probationers, and parolees involved with the electronic tether program shall reimburse the department for the equipment costs and telephone charges associated with their participation in the program. The department may require community service work reimbursement as a means of payment for those able-bodied individuals unable to pay for the cost of the equipment.

(2) Program participant contributions and local community tether program reimbursement for the electronic tether program appropriated in part 1 are related to program expenditures and may be used to offset expenditures for this purpose.

(3) Included in the appropriation in part 1 is adequate funding to implement the community tether program to be administered by the department. The community tether program is intended to provide sentencing judges and county sheriffs in coordination with local community corrections advisory boards access to the state's electronic tether program to reduce prison admissions and improve local jail utilization. The department shall determine the appropriate distribution of the tether units throughout the state based upon locally developed comprehensive corrections plans pursuant to the community corrections act, 1988 PA 511, MCL 791.401 to 791.414.

(4) For a fee determined by the department, the department shall provide counties with the tether equipment, replacement parts, administrative oversight of the equipment's operation, notification of violators, and periodic reports regarding county program participants. Counties are responsible for tether equipment installation and service. For an additional fee as determined by the department, the department shall provide staff to install and service the equipment. Counties are responsible for the coordination and apprehension of program violators.

(5) Any county with tether charges outstanding over 60 days shall be considered in violation of the community tether program agreement and lose access to the program.

Sec. 604. Community-placement prisoners and parolees shall reimburse the department for the operational costs of the program. As an alternative method of payment, the department may develop a community service work schedule for those individuals unable to meet reimbursement requirements established by the department.

Sec. 605. The department shall establish a uniform rate to be paid by agencies that benefit from public work services provided by special alternative incarceration participants and prisoners.

COMMUNITY CORRECTIONS

Sec. 701. The office of community corrections shall provide and coordinate the delivery and implementation of services in communities to facilitate successful offender reintegration into the community. Programs and services to be offered shall include, but are not limited to, technical assistance for comprehensive corrections plan development, new program start-up funding, program funding for those programs delivering services for eligible offenders in geographic areas identified by the office of community corrections as having a shortage of available services, technical assistance, referral services for education, employment services, and substance abuse and family counseling. As used in this act:

(a) "Alternative to incarceration in a state facility or jail" means a program that involves offenders who receive a sentencing disposition which appears to be in place of incarceration in a state correctional facility or jail based on historical local sentencing patterns or which amounts to a reduction in the length of sentence in a jail.

(b) "Goal" means the intended or projected result of a comprehensive corrections plan or community corrections program to reduce prison commitment rates, to reduce the length of stay in a jail, or to improve the utilization of a jail.

(c) "Jail" means a facility operated by a local unit of government for the physical detention and correction of persons charged with or convicted of criminal offenses.

(d) "Offender eligibility criteria" means particular criminal violations, state felony sentencing guidelines descriptors, and offender characteristics developed by advisory boards and approved by local units of government that identify the offenders suitable for community corrections programs funded through the office of community corrections.

(e) "Offender target population" means felons or misdemeanants who would likely be sentenced to imprisonment in a state correctional facility or jail, who would not increase the risk to the public safety, who have not demonstrated a pattern of violent behavior, and who do not have criminal records that indicate a pattern of violent offenses.

(f) "Offender who would likely be sentenced to imprisonment" means either of the following:

(i) A felon or misdemeanant who receives a sentencing disposition that appears to be in place of incarceration in a state correctional facility or jail, according to historical local sentencing patterns.

(ii) A currently incarcerated felon or misdemeanant who is granted early release from incarceration to a community corrections program or who is granted early release from incarceration as a result of a community corrections program.

Sec. 702. (1) The funds included in part 1 for community corrections comprehensive plans and services are to encourage the development through technical assistance grants, implementation, and operation of community corrections programs that serve as an alternative to incarceration in a state facility or jail. The comprehensive corrections plans shall include an explanation of how the public safety will be maintained, the goals for the local jurisdiction, offender target populations intended to be affected, offender eligibility criteria for purposes outlined in the plan, and how the plans will meet the following objectives, consistent with section 8(4) of the community corrections act, 1988 PA 511, MCL 791.408:

(a) Reduce admissions to prison of nonviolent offenders who would have otherwise received an active sentence, including probation violators.

(b) Improve the appropriate utilization of jail facilities, the first priority of which is to open jail beds intended to house otherwise prison-bound felons, and the second priority being to appropriately utilize jail beds so that jail crowding does not occur.

(c) Open jail beds through the increase of pretrial release options.

(d) Reduce the readmission to prison of parole violators.

(e) Reduce the admission or readmission to prison of offenders, including probation violators and parole violators, for substance abuse violations.

(2) The award of community corrections comprehensive plans funds shall be based on criteria that include, but are not limited to, the prison commitment rate by category of offenders, trends in prison commitment rates and jail utilization, historical trends in community corrections program capacity and program utilization, and the projected impact and outcome of annual policies and procedures of programs on prison commitment rates and jail utilization.

(3) Funds awarded for probation residential centers in part 1 shall provide for a per diem reimbursement of not more than \$43.00.

Sec. 703. The comprehensive corrections plans shall also include, where appropriate, descriptive information on the full range of sanctions and services which are available and utilized within the local jurisdiction and an explanation of how jail beds, probation residential services, the special alternative incarceration program (boot camp), probation detention centers, the electronic monitoring program for probationers, and treatment and rehabilitative services will be utilized to support the objectives and priorities of the comprehensive corrections plan and the purposes and priorities of section 8(4) of the community corrections act, 1988 PA 511, MCL 791.408. The plans shall also include, where appropriate, provisions that detail how the local communities plan to respond to sentencing guidelines found in chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, and the use of the county jail reimbursement program pursuant to section 706 of this act. The state community corrections board shall encourage local community corrections boards to include in their comprehensive corrections plans strategies to collaborate with local alcohol and drug treatment agencies of the department of community health for the provision of alcohol and drug screening, assessment, case management planning, and delivery of treatment to alcohol- and drug-involved offenders, including, but not limited to, probation and parole violators who are at risk of revocation.

Sec. 704. (1) As part of the March biannual report specified under section 12(2) of the community corrections act, 1988 PA 511, MCL 791.412, which requires an analysis of the impact of that act on prison admissions and jail utilization, the department shall submit to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director the following information for each county and counties consolidated for comprehensive corrections plans:

(a) Approved technical assistance grants and comprehensive corrections plans including each program and level of funding, the utilization level of each program, and profile information of enrolled offenders.

(b) If federal funds are made available, the number of participants funded, the number served, the number successfully completing the program, and a summary of the program activity.

(c) Status of the community corrections information system and the jail population information system.

(d) Data on probation residential centers, including participant data, participant sentencing guideline scores, program expenditures, average length of stay, and bed utilization data.

(e) Offender disposition data by sentencing guideline range, by disposition type, number and percent statewide and by county, current year, and comparisons to prior 3 years.

(2) The report required under subsection (1) shall include the total funding allocated, program expenditures, required program data, and year-to-date totals.

Sec. 705. (1) The department shall identify and coordinate information regarding the availability of and the demand for community corrections programs, jail-based community corrections programs, and basic state-required jail data.

(2) The department shall be responsible for the collection, analysis, and reporting of state-required jail data.

(3) As a prerequisite to participation in the programs and services offered through the department, counties shall provide basic jail data to the department.

Sec. 706. (1) The department shall administer a county jail reimbursement program from the funds appropriated in part 1 for the purpose of reimbursing counties for housing in jails felons who otherwise would have been sentenced to prison.

(2) The county jail reimbursement program shall reimburse counties for housing and custody of convicted felons if the conviction was for a crime committed before January 1, 1999 and 1 of the following applies:

(a) The felon would otherwise have been sentenced to a state prison term with a minimum sentencing guidelines range minimum of 12 months or more.

(b) The felon was sentenced under section 11 or 12 of chapter IX of the code of criminal procedure, 1927 PA 175, MCL 769.11 and 769.12.

(3) The county jail reimbursement program shall reimburse counties for housing and custody of convicted felons if the conviction was for a crime committed on or after January 1, 1999 and 1 of the following applies:

(a) The felon's sentencing guidelines recommended range upper limit is more than 18 months, the felon's sentencing guidelines recommended range lower limit is 12 months or less, the felon's prior record variable score is 35 or more points, and the felon's sentence is not for commission of a crime in crime class G or crime class H under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69.

(b) The felon's minimum sentencing guidelines range minimum is more than 12 months.

(4) State reimbursement under this section for prisoner housing and custody expenses per diverted offender shall be \$43.50 per diem for up to a 1-year total.

(5) From the funds appropriated in part 1 for the county jail reimbursement program, the department shall contract for an ongoing study to determine the impact of the new legislative sentencing guidelines. The study shall analyze sentencing patterns of jurisdictions as well as future patterns in order to determine and quantify the population impact on prisons and jails of the new guidelines as well as to identify and define felon or crime characteristics or sentencing guidelines scores that indicate a felon is a prison diversion. The department shall contract for a local and statewide study for this purpose and provide periodic reports regarding the status and findings of the study to the house and senate appropriations subcommittees on corrections, the house and senate fiscal agencies, and the state budget director.

(6) The department, the Michigan association of counties, and the Michigan sheriffs' association shall review the periodic findings of the study required in subsection (5) and, if appropriate, recommend modification of the criteria for reimbursement contained in subsection (3)(b) and (c). Any recommended modification shall be forwarded to the house and senate appropriations subcommittees on corrections and the state budget office.

(7) The department shall reimburse counties for offenders in jail based upon the reimbursement eligibility criteria in place on the date the offender was originally sentenced for the reimbursable offense.

(8) County jail reimbursement program expenditures shall not exceed the amount appropriated in part 1 for this purpose. Payments to counties under the county jail reimbursement program shall be made in the order in which properly documented requests for reimbursements are received. A request shall be considered to be properly documented if it meets MDOC requirements for documentation. The department shall by October 15, 2003 distribute the documentation requirements to all counties.

Sec. 707. Funds included in part 1 for the local facility housing program are appropriated for the purpose of reimbursing local units of government for housing state prisoners.

Sec. 708. (1) From the funds appropriated in part 1 for probation residential centers, funds are allocated for the operation of a probation detention program in a county that has adopted a charter pursuant to 1966 PA 293, MCL 45.501 to 45.521. The probation detention program shall have a capacity of 100 beds. The department shall provide

the program administrator monthly with 90-day projections of the numbers of beds expected to be needed for probationers and parolees in Phase II residential placement under section 4(2) of the special alternative incarceration act, 1988 PA 287, MCL 798.14, and the program administrator shall make beds available as necessary to house probationers and parolees entering Phase II residential placement.

(2) Funds awarded for probation residential centers in part 1 shall provide for a per diem reimbursement of not more than \$43.00.

(3) Payments under this section for operation of the probation detention program shall be made at the same rates applicable to disbursement of other funds awarded under the probation residential centers line item, not to exceed a total expenditure of \$1,569,500.00.

(4) The purpose of the probation detention program is to reduce the admission to prison of probation violators by providing a community punishment program within a secure environment with 24-hour supervision and programming with an emphasis on structured daily activities. Programming shall include, but need not be limited to, the following components that may be provided directly or by referral:

- (a) Orientation and assessment.
- (b) Substance abuse counseling.
- (c) Life skills counseling.
- (d) Education.
- (e) Employment preparation.
- (f) Vocational training.
- (g) Employment.
- (h) Community service.
- (i) Physical training.
- (j) Cognitive skill training.

(5) The probation detention program shall reduce the admission to prison of probation violators directly or indirectly by providing a program for direct sentencing of felony probation violators who likely would be prison-bound based on historical local sentencing practices or by removing probation violators from jail with a resulting increase in the number of jail beds available and used for felons who otherwise would be likely to be sentenced to prison based on historical local sentencing practices.

(6) The operation of the probation detention program shall be included in an approved community corrections comprehensive plan for the county described in subsection (1) pursuant to the community corrections act, 1988 PA 511, MCL 791.401 to 791.414, and shall be consistent with sections 701, 702, and 703.

(7) The comprehensive plan shall specify the programs, eligibility criteria, referral, and enrollment process, the assessment and client-specific planning case management process, a program design that includes a variable length of stay based on assessed need, and the evaluation methodology to show the impact of the program on prison admissions and recidivism.

(8) The length of stay for a probationer or parolee in Phase II residential placement shall be at the department's discretion based on the offender assessment and client-specific planning case management process and the offender's progress at meeting the case management objectives, but shall not exceed 120 days.

(9) The department shall require the program administrator to report not later than March 1, 2004 to the state budget director, the senate and house fiscal agencies, and the senate and house appropriations subcommittees on corrections concerning the program's impact on prison admissions and recidivism including, but not limited to, the numbers of offenders released from the probation detention program who are arrested for a felony offense within 1 year of their termination from the program.

Sec. 709. (1) As a condition of receipt of the funds appropriated in part 1 for community corrections plans and services and probation residential centers, the department shall only award those funds requested under a properly prepared and approved comprehensive corrections plan submitted under section 8 of the community corrections act, 1988 PA 511, MCL 791.408, or directly applied for under section 10 of the community corrections act, 1988 PA 511, MCL 791.410.

(2) The department shall only halt funding for an entity funded under section 8 of the community corrections act, 1988 PA 511, MCL 791.408, in instances of substantial noncompliance during the period covered by the plan.

Sec. 710. (1) Funds included in part 1 for the felony drunk driver jail reduction and community treatment program are appropriated for and may be expended for any of the following purposes:

(a) To increase availability of treatment options to reduce drunk driving and drunk driving-related deaths by addressing the alcohol addiction of felony drunk drivers who otherwise likely would be sentenced to jail or a combination of jail and other sanctions.

(b) To divert from jail sentences or to reduce the length of jail sentences for felony drunk drivers who otherwise would have been sentenced to jail and whose recommended minimum sentence ranges under sentencing guidelines have upper limits of 18 months or less, through funding programs that may be used in lieu of incarceration and that increase the likelihood of rehabilitation.

(c) To provide a policy and funding framework to make additional jail space available for housing convicted felons whose recommended minimum sentence ranges under sentencing guidelines have lower limits of 12 months or less and who likely otherwise would be sentenced to prison, with the aim of enabling counties to meet or exceed amounts received through the county jail reimbursement program during fiscal year 2002-2003 and reducing the numbers of felons sentenced to prison.

(2) Expenditure of funds included in part 1 for the felony drunk driver jail reduction and community treatment program shall be by grant awards consistent with standards developed by a committee of the state community corrections advisory board. The chairperson of the committee shall be the board member representing county sheriffs. Remaining members of the committee shall be appointed by the chairperson of the board.

(3) In developing standards, the committee shall consult with interested agencies and associations. Standards developed by the committee shall include application criteria, performance objectives and measures, funding allocations, and allowable uses of the fund, consistent with the purposes specified in this section.

(4) Allowable uses of the fund shall include reimbursing counties for transportation, treatment costs, and housing felony drunk drivers during a period of assessment for treatment and case planning. Reimbursements for housing during the assessment process shall be at the rate of \$43.50 per day per offender, up to a maximum of 5 days per offender.

(5) The standards developed by the committee shall assign each county a maximum funding allocation based on the amount the county received under the county jail reimbursement program in fiscal year 2001-2002 for housing felony drunk drivers whose sentencing guidelines recommended minimum sentence ranges had upper limits of 18 months or less.

(6) Awards of funding under this section shall be provided consistent with the local comprehensive corrections plans developed under the community corrections act, 1988 PA 511, MCL 791.401 to 791.414. Funds awarded under this section may be used in conjunction with funds awarded under grant programs established under that act. Due to the need for felony drunk drivers to be transitioned from county jails to community treatment services, it is the intent of the legislature that local units of government utilize funds received under this section to support county sheriff departments.

(7) As used in this section, "felony drunk driver" means a felon convicted of operating a motor vehicle under the influence of intoxicating liquor or a controlled substance, or both, third or subsequent offense, under section 625(8)(c) of the Michigan vehicle code, 1949 PA 300, MCL 257.625, or its predecessor statute, punishable as a felony.

CONSENT DECREES

Sec. 801. Funding appropriated in part 1 for consent decree line items is appropriated into separate control accounts created for each line item. Funding in each control account shall be distributed as necessary into separate accounts created for the purpose of separately identifying costs and expenditures associated with each consent decree.

HEALTH CARE

Sec. 901. The department shall not expend funds appropriated under part 1 for any surgery, procedure, or treatment to provide or maintain a prisoner's sex change unless it is determined medically necessary by the chief medical officer of the department.

Sec. 902. (1) As a condition of expenditure of the funds appropriated in part 1, the department shall report to the senate and house appropriations subcommittees on corrections on January 1, 2004 and July 1, 2004 the status of payments from contractors to vendors for health care services provided to prisoners, as well as the status of the contracts, and an assessment of prisoner health care quality.

(2) It is the intent of the legislature that, in the interest of providing the most efficient and cost-effective delivery of health care, local health care providers shall be considered and given the opportunity to competitively bid as vendors under future managed care contracts.

Sec. 903. There are sufficient funds and FTEs appropriated in part 1 to provide a full complement of nurses for clinical complexes working regular pay hours and it is the intent of the legislature that sufficient nurses be hired or retained to limit the use of overtime other-than-holiday pay.

Sec. 904. From the funds allocated in part 1 for health care services, the department shall conduct a 1-year cost/benefit analysis of privatizing pharmacy services and shall report the findings of this 1-year cost/benefit analysis to the senate and house appropriations subcommittees on corrections and the senate and house fiscal agencies not less than 120 days before any effort to privatize pharmacy services unless a report is completed prior to October 1, 2003.

Sec. 905. As a condition of expending funds appropriated in part 1 for hospital and specialty care or other correctional managed care health care services, the department shall use electronic mail to notify the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director that an invitation to bid, request for proposals, or similar document pertaining to hospital and specialty care or other correctional managed care health care services has been issued and shall provide a link to an Internet or Intranet site from which the document can be viewed and downloaded. The electronic mail shall be sent on the same day that the invitation to bid, request for proposals, or similar document is released to potential bidders and other members of the public.

Sec. 906. It is the intent of the legislature that, with the funds appropriated in part 1 for hospital and specialty care services, the department shall ensure that local providers of ambulance services to prisoners be reimbursed within 60 days of the filing of any uncontested claim for service.

Sec. 907. The department shall identify and manage prisoners who abuse the availability of medical services by obtaining transportation to off-site medical care when unnecessary or reasonably avoidable. In doing this, the department shall, when appropriate, consult with off-site medical facilities on how to accomplish this goal.

INSTITUTIONAL OPERATIONS

Sec. 1001. As a condition of expenditure of the funds appropriated in part 1, the department shall ensure that smoking areas are designated for use by prisoners and staff at each facility. At a minimum, all outdoor areas within each facility's perimeter shall be designated for smoking, except that smoking may be forbidden within 20 feet of any building designated as nonsmoking or smoke-free.

Sec. 1002. From the funds appropriated in part 1, the department shall allocate sufficient funds to develop a pilot children's visitation program. The pilot program shall teach parenting skills and arrange for day visitation at these facilities for parents and their children, except for the families of prisoners convicted of a crime involving criminal sexual conduct in which the victim was less than 18 years of age or involving child abuse.

Sec. 1003. The department shall prohibit prisoners access to or use of the Internet or any similar system.

Sec. 1004. Any department employee who, in the course of his or her job, is determined by a physician to have had a potential exposure to the Hepatitis B virus, shall receive a Hepatitis B vaccination upon request.

Sec. 1006. (1) The inmate housing fund shall be used for the custody, treatment, clinical, and administrative costs associated with the housing of prisoners other than those specifically budgeted for elsewhere in this act. Funding in the inmate housing fund is appropriated into a separate control account. Funding in the control account shall be distributed as necessary into separate accounts created to separately identify costs for specific purposes.

(2) Quarterly reports on all expenditures from the inmate housing fund shall be submitted by the department to the state budget director, the senate and house appropriations subcommittees on corrections, and the senate and house fiscal agencies.

Sec. 1008. It is the intent of the legislature that from the funds appropriated in part 1 for prison operations the department maintain on a voluntary basis 1 or more cognitive restructuring programs such as Project CHANGE for high-security-level prisoners.

Second: That the House and Senate agree to the title of the bill to read as follows:

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2004; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

Mike Pumford
Triette Reeves
Conferees for the House

Alan L. Cropsey
Mike Goschka
Conferees for the Senate

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Reports of Standing Committees

The Committee on Appropriations, by Rep. Shulman, Chair, reported

House Bill No. 4866, entitled

A bill to amend 1961 PA 112, entitled "An act to authorize and provide for the issuance, sale, and refunding of bonds, notes, or commercial paper of the state; to provide funds for making loans to school districts for payment of principal and interest on certain school bonds; to provide for use of moneys repaid to the state by school districts; and to make an appropriation," by amending section 3 (MCL 388.983), as amended by 1991 PA 64.

With the recommendation that the substitute (H-1) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills and laid over one day.

Favorable Roll Call

To Report Out:

Yeas: Reps. Shulman, Emmons, Caul, Pumford, Shackleton, Kooiman, Newell, Stewart, Acciavatti, Amos, Caswell, Farhat, Hoogendyk, Moolenaar, Pastor, Shaffer, Steil, Taub, Walker, Brandenburg, Whitmer, Brown, Kolb, Phillips, Plakas, Reeves, Williams, Cheeks, Hunter, Paletko, Sak and Zelenko

Nays: None

The Committee on Appropriations, by Rep. Shulman, Chair, reported

Senate Bill No. 572, entitled

A bill to amend 1961 PA 108, entitled "An act to provide for loans by the state of Michigan to school districts for the payment of principal and interest upon school bonds; to prescribe the terms and conditions of the loans and the conditions upon which levies for bond principal and interest shall be included in computing the amount to be so loaned by the state; to prescribe the powers and duties of the superintendent of public instruction and the state treasurer in relation to such loans; to provide for the repayment of such loans; to provide incentives for repayment of such loans; to provide for other matters in respect to such loans; and to make an appropriation," (MCL 388.951 to 388.963) by adding section 9c.

With the recommendation that the substitute (H-1) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills and laid over one day.

Favorable Roll Call

To Report Out:

Yeas: Reps. Shulman, Emmons, Caul, Pumford, Shackleton, Kooiman, Newell, Stewart, Acciavatti, Amos, Farhat, Hoogendyk, Moolenaar, Pastor, Shaffer, Steil, Taub, Walker, Brandenburg, Whitmer, Brown, Kolb, Phillips, Plakas, Williams, Cheeks, Hunter, Paletko, Sak and Zelenko

Nays: None

The Committee on Appropriations, by Rep. Shulman, Chair, reported

Senate Bill No. 573, entitled

A bill to amend 1985 PA 227, entitled "Shared credit rating act," by amending section 8 (MCL 141.1058), as amended by 2000 PA 416.

With the recommendation that the substitute (H-1) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills and laid over one day.

Favorable Roll Call

To Report Out:

Yeas: Reps. Shulman, Emmons, Caul, Pumford, Shackleton, Kooiman, Newell, Stewart, Acciavatti, Amos, Caswell, Farhat, Hoogendyk, Moolenaar, Pastor, Shaffer, Steil, Taub, Walker, Brandenburg, Whitmer, Brown, Kolb, Phillips, Plakas, Williams, Cheeks, Hunter, Paletko, Sak and Zelenko

Nays: None

The Committee on Appropriations, by Rep. Shulman, Chair, reported

Senate Bill No. 574, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 81101, 81115, 81116, 81117, 81118, 81125, 81129, and 81130 (MCL 324.81101, 324.81115, 324.81116, 324.81117, 324.81118, 324.81125, 324.81129, and 324.81130), section 81101 as amended by 1998 PA 86, sections 81115, 81117, 81118, 81125, 81129, and 81130 as added by 1995 PA 58, and section 81116 as amended by 1995 PA 99.

With the recommendation that the following amendment be adopted and that the bill then pass.

1. Amend page 14, following line 27, by inserting:

"Enacting section 1. This amendatory act takes effect October 1, 2003."

The bill and amendment were referred to the order of Second Reading of Bills and laid over one day.

Favorable Roll Call

To Report Out:

Yeas: Reps. Shulman, Emmons, Caul, Pumford, Shackleton, Kooiman, Newell, Stewart, Acciavatti, Amos, Caswell, Farhat, Hoogendyk, Moolenaar, Pastor, Shaffer, Steil, Taub, Walker, Brandenburg, Whitmer, Brown, Kolb, Phillips, Plakas, Reeves, Williams, Cheeks, Hunter, Paletko, Sak and Zelenko

Nays: None

The Committee on Appropriations, by Rep. Shulman, Chair, reported

Senate Bill No. 589, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 20161 (MCL 333.20161), as amended by 2002 PA 562.

Without amendment and with the recommendation that the bill pass.

The bill was referred to the order of Second Reading of Bills and laid over one day.

Favorable Roll Call

To Report Out:

Yeas: Reps. Shulman, Emmons, Pumford, Shackleton, Kooiman, Newell, Stewart, Acciavatti, Amos, Caswell, Farhat, Hoogendyk, Moolenaar, Pastor, Shaffer, Steil, Taub, Walker, Brandenburg, Mortimer, Whitmer, Brown, Kolb, Phillips, Plakas, Reeves, Williams, Cheeks, Hunter, Paletko, Sak and Zelenko

Nays: None

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Shulman, Chair of the Committee on Appropriations, was received and read:

Meeting held on: Wednesday, June 25, 2003, at 10:30 a.m.

Present: Reps. Shulman, Emmons, Caul, Pumford, Shackleton, Kooiman, Newell, Stewart, Acciavatti, Amos, Caswell, Farhat, Hoogendyk, Moolenaar, Pastor, Shaffer, Steil, Taub, Walker, Brandenburg, Mortimer, Whitmer, Brown, Kolb, Phillips, Plakas, Reeves, Williams, Cheeks, Hunter, Paletko, Sak and Zelenko

The Committee on Conservation and Outdoor Recreation, by Rep. Tabor, Chair, reported

House Bill No. 4225, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 43520, 43523, 43525a, 43527, 43531, and 43553 (MCL 324.43520, 324.43523, 324.43525a, 324.43527, 324.43531, and 324.43553), section 43520 as added by 1995 PA 57, sections 43523, 43527, 43531, and 43553 as amended by 1996 PA 585, and section 43525a as added by 1998 PA 291.

With the recommendation that the substitute (H-2) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills and laid over one day.

Favorable Roll Call

To Report Out:

Yeas: Reps. Tabor, Milosch, Bradstreet, Ehardt, Richardville, Rocca, Nitz, Gillard and Farrah

Nays: Rep. Sheltroun

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Tabor, Chair of the Committee on Conservation and Outdoor Recreation, was received and read:

Meeting held on: Wednesday, June 25, 2003, at 10:30 a.m.

Present: Reps. Tabor, Milosch, Bradstreet, Ehardt, Richardville, Rocca, Nitz, Gillard, Farrah, Sheltroun and Accavitti

Second Reading of Bills**Senate Bill No. 360, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 8317 (MCL 324.8317), as amended by 2002 PA 418.

The bill was read a second time.

Rep. Richardville moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Rep. Richardville moved that the bill be placed on its immediate passage.

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

By unanimous consent the House returned to the order of

Third Reading of Bills**Senate Bill No. 360, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 8317 (MCL 324.8317), as amended by 2002 PA 418.

The bill was read a third time.

The question being on the passage of the bill,

Rep. Richardville moved that consideration of the bill be postponed temporarily.

The motion prevailed.

Second Reading of Bills**Senate Bill No. 361, entitled**

A bill to amend 1969 PA 287, entitled "An act to regulate pet shops, animal control shelters, and animal protection shelters; to establish uniform procedures and minimum requirements for adoption of dogs, cats, and ferrets; and to prescribe penalties and civil fines and to provide remedies," by amending section 4 (MCL 287.334).

The bill was read a second time.

Rep. Richardville moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Senate Bill No. 386, entitled

A bill to amend 1937 PA 284, entitled "An act to prevent the spread of infectious and contagious diseases of livestock; to require persons, associations, partnerships and corporations engaged in the buying, receiving, selling, transporting, exchanging, negotiating, or soliciting sale, resale, exchange or transportation of livestock to be licensed and bonded by the department of agriculture; to keep a producers' proceeds account; to provide for the refusal, suspension or revocation of such licenses; to provide for weighmasters; to provide for the inspection and disinfection of yards, premises and vehicles; and to provide penalties for the violation of this act," by amending section 3 (MCL 287.123).

The bill was read a second time.

Rep. Richardville moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Senate Bill No. 390, entitled

A bill to amend 1974 PA 93, entitled "An act to license and regulate horse riding stables and sales barns; to prescribe the duties of the department of agriculture; and to provide a penalty," by amending section 3 (MCL 287.113).

The bill was read a second time.

Rep. Richardville moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Senate Bill No. 480, entitled

A bill to amend 1931 PA 189, entitled "The insect pest and plant disease act," by amending section 9 (MCL 286.209), as amended by 1982 PA 157.

The bill was read a second time.

Rep. Richardville moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Senate Bill No. 359, entitled

A bill to amend 1993 PA 23, entitled "Michigan limited liability company act," by amending section 1101 (MCL 450.5101), as amended by 2002 PA 686.

The bill was read a second time.

Rep. Richardville moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Senate Bill No. 370, entitled

A bill to amend 1936 (Ex Sess) PA 1, entitled "Michigan employment security act," by amending section 10 (MCL 421.10), as amended by 2002 PA 192.

The bill was read a second time.

Rep. Richardville moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Senate Bill No. 391, entitled

A bill to amend 1964 PA 265, entitled "Uniform securities act," by amending section 202 (MCL 451.602), as amended by 2000 PA 494.

The bill was read a second time.

Rep. Richardville moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Senate Bill No. 431, entitled

A bill to amend 1979 PA 152, entitled "State license fee act," by amending sections 11, 13, 15, 17, 21, 23, 25, 27, 29, 31, 37, 38, 39, 43, 49, and 62 (MCL 338.2211, 338.2213, 338.2215, 338.2217, 338.2221, 338.2223, 338.2225, 338.2227, 338.2229, 338.2231, 338.2237, 338.2238, 338.2239, 338.2243, 338.2249, and 338.2262), sections 11, 13, 15, 17, 21, 23, 29, 31, 39, 43, 49, and 62 as amended by 1988 PA 461, section 25 as amended by 1997 PA 98, section 27 as amended by 1992 PA 252, section 37 as amended by 2002 PA 623, and section 38 as amended by 1999 PA 171.

The bill was read a second time.

Rep. Richardville moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Senate Bill No. 570, entitled

A bill to amend 1972 PA 284, entitled "Business corporation act," by amending section 1060 (MCL 450.2060), as amended by 2001 PA 57; and to repeal acts and parts of acts.

The bill was read a second time.

Rep. Richardville moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Senate Bill No. 571, entitled

A bill to amend 1982 PA 162, entitled "Nonprofit corporation act," by amending section 1060 (MCL 450.3060), as amended by 1984 PA 209; and to repeal acts and parts of acts.

The bill was read a second time.

Rep. Richardville moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Rep. Richardville moved that Rule 48 be suspended.
The motion prevailed, 3/5 of the members present voting therefor.

Senate Bill No. 572, entitled

A bill to amend 1961 PA 108, entitled “An act to provide for loans by the state of Michigan to school districts for the payment of principal and interest upon school bonds; to prescribe the terms and conditions of the loans and the conditions upon which levies for bond principal and interest shall be included in computing the amount to be so loaned by the state; to prescribe the powers and duties of the superintendent of public instruction and the state treasurer in relation to such loans; to provide for the repayment of such loans; to provide incentives for repayment of such loans; to provide for other matters in respect to such loans; and to make an appropriation,” (MCL 388.951 to 388.963) by adding section 9c.

Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Appropriations,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.
Rep. Richardville moved that the bill be placed on the order of Third Reading of Bills.
The motion prevailed.

Rep. Richardville moved that Rule 48 be suspended.
The motion prevailed, 3/5 of the members present voting therefor.

Senate Bill No. 573, entitled

A bill to amend 1985 PA 227, entitled “Shared credit rating act,” by amending section 8 (MCL 141.1058), as amended by 2000 PA 416.

Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Appropriations,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.
Rep. Richardville moved that the bill be placed on the order of Third Reading of Bills.
The motion prevailed.

Rep. Richardville moved that Rule 48 be suspended.
The motion prevailed, 3/5 of the members present voting therefor.

Senate Bill No. 589, entitled

A bill to amend 1978 PA 368, entitled “Public health code,” by amending section 20161 (MCL 333.20161), as amended by 2002 PA 562.

The bill was read a second time.
Rep. Richardville moved that the bill be placed on the order of Third Reading of Bills.
The motion prevailed.

By unanimous consent the House returned to the order of
Third Reading of Bills

The House returned to the consideration of

Senate Bill No. 360, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending section 8317 (MCL 324.8317), as amended by 2002 PA 418.

(The bill was considered earlier today, see today’s Journal p. 1047.)

The question being on the passage of the bill,
The bill was then passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 309

Yeas—71

Accavitti	Gleason	Minore	Stakoe
Anderson	Hager	Moolenaar	Stallworth
Bieda	Hardman	Murphy	Steil
Brandenburg	Hart	Newell	Stewart
Brown	Hood	Nitz	Taub
Byrum	Hopgood	O’Neil	Tobocman

Caswell	Howell	Paletko	Vagnozzi
Cheeks	Hunter	Phillips	Walker
Clack	Jamnack	Plakas	Ward
Condino	Johnson, Rick	Pumford	Waters
Daniels	Kolb	Reeves	Wenke
Dennis	Kooiman	Rivet	Whitmer
Elkins	LaJoy	Sak	Williams
Emmons	Law	Shackleton	Wojno
Farrah	Lipsey	Sheltrown	Woodward
Gaffney	McConico	Shulman	Woronchak
Gielegem	Meisner	Smith	Zelenko
Gillard	Meyer	Spade	

Nays—37

Acciavatti	Farhat	Middaugh	Robertson
Amos	Garfield	Milosch	Rocca
Bisbee	Hoogendyk	Mortimer	Shaffer
Bradstreet	Huizenga	Nofs	Sheen
Casperson	Hummel	Palmer	Stahl
Caul	Hune	Palsrok	Tabor
DeRoche	Johnson, Ruth	Pappageorge	Van Regenmorter
DeRossett	Julian	Pastor	Vander Veen
Drolet	LaSata	Richardville	Voorhees
Ehardt			

In The Chair: Julian

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts.”

The House agreed to the full title.

Rep. Richardville moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Rep. Richardville moved that **Senate Bill No. 361** be placed on its immediate passage.

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

Senate Bill No. 361, entitled

A bill to amend 1969 PA 287, entitled “An act to regulate pet shops, animal control shelters, and animal protection shelters; to establish uniform procedures and minimum requirements for adoption of dogs, cats, and ferrets; and to prescribe penalties and civil fines and to provide remedies,” by amending section 4 (MCL 287.334).

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 310**Yeas—71**

Accavitti	Gillard	Meyer	Spade
Anderson	Hager	Minore	Stallworth

Brandenburg	Hardman	Moolenaar	Steil
Brown	Hart	Murphy	Stewart
Byrum	Hood	Newell	Tabor
Casperson	Hopgood	Nitz	Taub
Caul	Howell	O'Neil	Tobocman
Cheeks	Hunter	Paletko	Vagnozzi
Clack	Jamnick	Phillips	Walker
Condino	Johnson, Rick	Plakas	Ward
Daniels	Kolb	Pumford	Waters
Dennis	Kooiman	Reeves	Wenke
Elkins	LaJoy	Sak	Whitmer
Emmons	LaSata	Shackleton	Williams
Farhat	Law	Shaffer	Wojno
Farrah	Lipsey	Sheltrown	Woodward
Gaffney	McConico	Shulman	Zelenko
Gielegem	Meisner	Smith	

Nays—36

Acciavatti	Ehardt	Middaugh	Robertson
Amos	Garfield	Milosch	Rocca
Bieda	Gleason	Mortimer	Sheen
Bisbee	Hoogendyk	Nofs	Stahl
Bradstreet	Huizenga	Palmer	Stakoe
Caswell	Hummel	Palsrok	Van Regenmorter
DeRoche	Hune	Pappageorge	Vander Veen
DeRossett	Johnson, Ruth	Pastor	Voorhees
Drolet	Julian	Richardville	Woronchak

In The Chair: Julian

The House agreed to the title of the bill.

Rep. Richardville moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Rep. Hune moved that Rep. DeRoche be excused temporarily from today's session.

The motion prevailed.

Rep. Richardville moved that **Senate Bill No. 386** be placed on its immediate passage.

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

Senate Bill No. 386, entitled

A bill to amend 1937 PA 284, entitled "An act to prevent the spread of infectious and contagious diseases of livestock; to require persons, associations, partnerships and corporations engaged in the buying, receiving, selling, transporting, exchanging, negotiating, or soliciting sale, resale, exchange or transportation of livestock to be licensed and bonded by the department of agriculture; to keep a producers' proceeds account; to provide for the refusal, suspension or revocation of such licenses; to provide for weighmasters; to provide for the inspection and disinfection of yards, premises and vehicles; and to provide penalties for the violation of this act," by amending section 3 (MCL 287.123).

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 311**Yeas—71**

Accavitti	Gleason	Minore	Spade
Anderson	Hager	Moolenaar	Stallworth
Brown	Hardman	Murphy	Steil
Byrum	Hart	Newell	Stewart
Casperson	Hood	Nitz	Taub
Caswell	Hopgood	O'Neil	Tobocman
Caul	Howell	Paletko	Vagnozzi
Cheeks	Hunter	Phillips	Walker
Clack	Jamnack	Plakas	Ward
Condino	Johnson, Rick	Pumford	Waters
Daniels	Kolb	Reeves	Wenke
Dennis	Kooiman	Rivet	Whitmer
Elkins	LaJoy	Rocca	Williams
Emmons	Law	Sak	Wojno
Farrah	Lipsey	Shackleton	Woodward
Gaffney	McConico	Sheltrown	Woronchak
Gielegem	Meisner	Shulman	Zelenko
Gillard	Meyer	Smith	

Nays—36

Acciavatti	Farhat	Middaugh	Robertson
Amos	Garfield	Milosch	Shaffer
Bieda	Hoogendyk	Mortimer	Sheen
Bisbee	Huizenga	Nofs	Stahl
Bradstreet	Hummel	Palmer	Stakoe
Brandenburg	Hune	Palsrok	Tabor
DeRossett	Johnson, Ruth	Pappageorge	Van Regenmorter
Drolet	Julian	Pastor	Vander Veen
Ehardt	LaSata	Richardville	Voorhees

In The Chair: Julian

The House agreed to the title of the bill.

Rep. Richardville moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Rep. Richardville moved that **Senate Bill No. 390** be placed on its immediate passage.

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

Senate Bill No. 390, entitled

A bill to amend 1974 PA 93, entitled "An act to license and regulate horse riding stables and sales barns; to prescribe the duties of the department of agriculture; and to provide a penalty," by amending section 3 (MCL 287.113).

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 312**Yeas—67**

Accavitti	Gillard	Meyer	Smith
Anderson	Hager	Minore	Spade

Bieda	Hardman	Moolenaar	Stallworth
Brown	Hart	Murphy	Steil
Byrum	Hood	Newell	Taub
Casperson	Hopgood	Nitz	Tobocman
Caul	Hunter	O'Neil	Vagnozzi
Cheeks	Jamnack	Paletko	Walker
Clack	Johnson, Rick	Phillips	Ward
Condino	Kolb	Plakas	Waters
Daniels	Kooiman	Pumford	Wenke
Dennis	LaJoy	Reeves	Whitmer
Elkins	LaSata	Rivet	Williams
Emmons	Law	Rocca	Wojno
Farrah	Lipsey	Sak	Woodward
Gaffney	McConico	Sheltrown	Zelenko
Gielegem	Meisner	Shulman	

Nays—40

Acciavatti	Garfield	Milosch	Shaffer
Amos	Gleason	Mortimer	Sheen
Bisbee	Hoogendyk	Nofs	Stahl
Bradstreet	Howell	Palmer	Stakoe
Brandenburg	Huizenga	Palsrok	Stewart
Caswell	Hummel	Pappageorge	Tabor
DeRoche	Hune	Pastor	Van Regenmorter
DeRossett	Johnson, Ruth	Richardville	Vander Veen
Drolet	Julian	Robertson	Voorhees
Farhat	Middaugh	Shackleton	Woronchak

In The Chair: Julian

The House agreed to the title of the bill.

Rep. Richardville moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Rep. Richardville moved that **Senate Bill No. 480** be placed on its immediate passage.

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

Senate Bill No. 480, entitled

A bill to amend 1931 PA 189, entitled "The insect pest and plant disease act," by amending section 9 (MCL 286.209), as amended by 1982 PA 157.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 313**Yeas—64**

Accavitti	Gillard	Meisner	Smith
Anderson	Gleason	Meyer	Spade
Bieda	Hager	Minore	Stallworth
Brown	Hardman	Moolenaar	Steil
Byrum	Hart	Murphy	Taub
Casperson	Hood	Newell	Tobocman

Caswell	Hopgood	Nitz	Vagnozzi
Caul	Howell	O'Neil	Ward
Clack	Hunter	Paletko	Waters
Condino	Jamnack	Phillips	Wenke
Dennis	Johnson, Rick	Plakas	Whitmer
Elkins	Kolb	Pumford	Williams
Emmons	Kooiman	Rivet	Wojno
Farrah	LaSata	Sak	Woodward
Gaffney	Law	Sheltrown	Woronchak
Gielegem	Lipsey	Shulman	Zelenko

Nays—39

Acciavatti	Hoogendyk	Nofs	Sheen
Amos	Huizenga	Palmer	Stahl
Bisbee	Hummel	Palsrok	Stakoe
Bradstreet	Hune	Pappageorge	Stewart
Brandenburg	Johnson, Ruth	Pastor	Tabor
DeRoche	Julian	Richardville	Van Regenmorter
DeRossett	LaJoy	Robertson	Vander Veen
Drolet	Middaugh	Rocca	Voorhees
Farhat	Milosch	Shackleton	Walker
Garfield	Mortimer	Shaffer	

In The Chair: Julian

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to regulate the sale and distribution of nursery stock, plants, and plant products; to prevent the introduction into and the dissemination within this state of insect pests and plant diseases; to provide for the destruction and control of insect pests and plant diseases; to provide for the destruction of certain plants by owners of certain fruit trees; to provide for license and to provide for inspection; and imposing certain powers and duties on the director of agriculture; to provide for the promulgation of rules; and to prescribe penalties.”.

The House agreed to the full title.

Rep. Richardville moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Rep. Sak moved that Rep. Plakas be excused temporarily from today's session.

The motion prevailed.

Rep. Waters moved that Reps. Cheeks and Reeves be excused temporarily from today's session.

The motion prevailed.

Rep. Richardville moved that **Senate Bill No. 359** be placed on its immediate passage.

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

Senate Bill No. 359, entitled

A bill to amend 1993 PA 23, entitled “Michigan limited liability company act,” by amending section 1101 (MCL 450.5101), as amended by 2002 PA 686.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 314**Yeas—62**

Accavitti	Hardman	Moolenaar	Stakoe
Anderson	Hart	Murphy	Stallworth
Brown	Hood	Newell	Steil
Byrum	Hopgood	Nitz	Taub
Casperson	Howell	O'Neil	Tobocman
Caul	Hunter	Paletko	Vagnozzi
Clack	Jamnick	Phillips	Walker
Condino	Johnson, Rick	Pumford	Ward
Dennis	Kolb	Rivet	Waters
Elkins	Kooiman	Sak	Wenke
Emmons	LaSata	Shackleton	Whitmer
Farrah	Law	Sheltrown	Williams
Gaffney	Lipsey	Shulman	Wojno
Gielegghem	Meisner	Smith	Woodward
Gillard	Meyer	Spade	Zelenko
Gleason	Minore		

Nays—41

Acciavatti	Farhat	Middaugh	Rocca
Amos	Garfield	Milosch	Shaffer
Bieda	Hager	Mortimer	Sheen
Bisbee	Hoogendyk	Nofs	Stahl
Bradstreet	Huizenga	Palmer	Stewart
Brandenburg	Hummel	Palsrok	Tabor
Caswell	Hune	Pappageorge	Van Regenmorter
DeRoche	Johnson, Ruth	Pastor	Vander Veen
DeRossett	Julian	Richardville	Voorhees
Drolet	LaJoy	Robertson	Woronchak
Ehardt			

In The Chair: Julian

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to provide for the organization and regulation of limited liability companies; to prescribe their duties, rights, powers, immunities, and liabilities; to prescribe the powers and duties of certain state departments and agencies; and to provide for penalties and remedies.”.

The House agreed to the full title.

Rep. Richardville moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Rep. Richardville moved that **Senate Bill No. 370** be placed on its immediate passage.

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

Senate Bill No. 370, entitled

A bill to amend 1936 (Ex Sess) PA 1, entitled “Michigan employment security act,” by amending section 10 (MCL 421.10), as amended by 2002 PA 192.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 315**Yeas—71**

Accavitti	Gaffney	Meyer	Shulman
Acciavatti	Gielegem	Minore	Smith
Amos	Gillard	Moolenaar	Spade
Anderson	Gleason	Mortimer	Stallworth
Bieda	Hardman	Murphy	Steil
Brandenburg	Hart	Newell	Stewart
Brown	Hood	O'Neil	Taub
Byrum	Hopgood	Paletko	Tobocman
Caswell	Howell	Pastor	Vagnozzi
Caul	Jamnick	Phillips	Ward
Cheeks	Johnson, Rick	Pumford	Waters
Clack	Kolb	Reeves	Wenke
Condino	Kooiman	Rivet	Whitmer
Daniels	LaJoy	Rocca	Williams
Dennis	Law	Sak	Wojno
Elkins	Lipsey	Shackleton	Woodward
Emmons	McConico	Shaffer	Zelenko
Farrah	Meisner	Sheltrown	

Nays—36

Bisbee	Hager	Milosch	Sheen
Bradstreet	Hoogendyk	Nitz	Stahl
Casperson	Huizenga	Nofs	Stakoe
DeRoche	Hummel	Palmer	Tabor
DeRossett	Hune	Palsrok	Van Regenmorter
Drolet	Johnson, Ruth	Pappageorge	Vander Veen
Ehardt	Julian	Plakas	Voorhees
Farhat	LaSata	Richardville	Walker
Garfield	Middaugh	Robertson	Woronchak

In The Chair: Julian

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to protect the welfare of the people of this state through the establishment of an unemployment compensation fund, and to provide for the disbursement thereof; to create certain other funds; to create the Michigan employment security commission, and to prescribe its powers and duties; to provide for the protection of the people of this state from the hazards of unemployment; to levy and provide for contributions from employers; to provide for the collection of such contributions; to enter into reciprocal agreements and to cooperate with agencies of the United States and of other states charged with the administration of any unemployment insurance law; to furnish certain information to certain governmental agencies for use in administering public benefit and child support programs and investigating and prosecuting fraud; to provide for the payment of benefits; to provide for appeals from redeterminations, decisions and notices of assessments; and for referees and a board of review to hear and decide the issues arising from redeterminations, decisions and notices of assessment; to provide for the cooperation of this state and compliance with the provisions of the social security act and the Wagner-Peyser act passed by the Congress of the United States of America; to provide for the establishment and maintenance of free public employment offices; to provide for the transfer of funds; to make appropriations for carrying out the provisions of this act; to prescribe remedies and penalties for the violation of the provisions of this act; and to repeal all acts and parts of acts inconsistent with the provisions of this act.”

The House agreed to the full title.

Rep. Richardville moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Rep. Richardville moved that **Senate Bill No. 391** be placed on its immediate passage.
The motion prevailed, a majority of the members serving voting therefor.

Senate Bill No. 391, entitled

A bill to amend 1964 PA 265, entitled “Uniform securities act,” by amending section 202 (MCL 451.602), as amended by 2000 PA 494.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 316

Yeas—70

Accavitti	Hardman	Murphy	Spade
Anderson	Hart	Newell	Stakoe
Brown	Hood	Nitz	Stallworth
Byrum	Hopgood	O’Neil	Steil
Caswell	Howell	Paletko	Tabor
Caul	Hunter	Phillips	Taub
Cheeks	Jamnick	Plakas	Tobocman
Clack	Johnson, Rick	Pumford	Vagnozzi
Condino	Kolb	Reeves	Walker
Daniels	Kooiman	Rivet	Ward
Dennis	LaSata	Rocca	Waters
Elkins	Law	Sak	Wenke
Emmons	Lipsey	Shackleton	Whitmer
Farrah	McConico	Shaffer	Williams
Gaffney	Meisner	Sheltrown	Wojno
Gielegem	Meyer	Shulman	Woodward
Gillard	Minore	Smith	Zelenko
Hager	Moolenaar		

Nays—38

Acciavatti	Ehardt	LaJoy	Richardville
Amos	Farhat	Middaugh	Robertson
Bieda	Garfield	Milosch	Sheen
Bisbee	Gleason	Mortimer	Stahl
Bradstreet	Hoogendyk	Nofs	Stewart
Brandenburg	Huizenga	Palmer	Van Regenmorter
Casperson	Hummel	Palsrok	Vander Veen
DeRoche	Hune	Pappageorge	Voorhees
DeRossett	Johnson, Ruth	Pastor	Woronchak
Drolet	Julian		

In The Chair: Julian

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to enact the uniform securities act relating to the issuance, offer, sale, or purchase of securities; to prohibit fraudulent practices in relation to securities; to establish civil and criminal sanctions for violations of the act and civil sanctions for violation of the rules promulgated pursuant to the act; to require the registration of broker-dealers, agents, investment advisers, and securities; to make uniform the law with reference to securities; and to repeal acts and parts of acts,”.

The House agreed to the full title.

Rep. Richardville moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Rep. Richardville moved that **Senate Bill No. 431** be placed on its immediate passage.
The motion prevailed, a majority of the members serving voting therefor.

Senate Bill No. 431, entitled

A bill to amend 1979 PA 152, entitled "State license fee act," by amending sections 11, 13, 15, 17, 21, 23, 25, 27, 29, 31, 37, 38, 39, 43, 49, and 62 (MCL 338.2211, 338.2213, 338.2215, 338.2217, 338.2221, 338.2223, 338.2225, 338.2227, 338.2229, 338.2231, 338.2237, 338.2238, 338.2239, 338.2243, 338.2249, and 338.2262), sections 11, 13, 15, 17, 21, 23, 29, 31, 39, 43, 49, and 62 as amended by 1988 PA 461, section 25 as amended by 1997 PA 98, section 27 as amended by 1992 PA 252, section 37 as amended by 2002 PA 623, and section 38 as amended by 1999 PA 171.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 317

Yeas—63

Accavitti	Hager	Minore	Spade
Anderson	Hardman	Moolenaar	Stallworth
Brown	Hart	Murphy	Steil
Byrum	Hood	Newell	Tabor
Caul	Hopgood	O'Neil	Taub
Cheeks	Howell	Paletko	Tobocman
Clack	Hunter	Phillips	Vagnozzi
Condino	Jamnack	Plakas	Walker
Daniels	Johnson, Rick	Pumford	Ward
Dennis	Kolb	Reeves	Waters
Elkins	Kooiman	Rivet	Wenke
Emmons	LaSata	Sak	Whitmer
Farrah	Law	Shackleton	Williams
Gaffney	Lipsey	Sheltrown	Woodward
Gielegem	Meisner	Shulman	Zelenko
Gillard	Meyer	Smith	

Nays—44

Acciavatti	Ehardt	Middaugh	Rocca
Amos	Farhat	Milosch	Shaffer
Bieda	Garfield	Mortimer	Sheen
Bisbee	Gleason	Nitz	Stahl
Bradstreet	Hoogendyk	Nofs	Stakoe
Brandenburg	Huizenga	Palmer	Stewart
Casperson	Hummel	Palsrok	Van Regenmorter
Caswell	Hune	Pappageorge	Vander Veen
DeRoche	Johnson, Ruth	Pastor	Voorhees
DeRossett	Julian	Richardville	Wojno
Drolet	LaJoy	Robertson	Woronchak

In The Chair: Julian

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to provide for the establishment and collection of fees for the regulation of certain occupations and professions, and for certain agencies and businesses; to create certain funds; and to prescribe certain powers and duties of certain state agencies and departments,".

The House agreed to the full title.

Rep. Richardville moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Second Reading of Bills

Senate Bill No. 537, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending section 74117 (MCL 324.74117), as added by 1995 PA 58; and to repeal acts and parts of acts.

The bill was read a second time.

Rep. Middaugh moved to amend the bill as follows:

1. Amend page 2, following line 25, by inserting:

“(4) A person who has obtained a motor vehicle permit under this section for a recreational vehicle to be used as a stationary primary camping shelter camped legally in and not moved from a state park campground during the period of the camping stay may obtain a duplicate motor vehicle permit for a second motor vehicle for a fee of \$10.00.” and renumbering the remaining subsections.

The motion prevailed and the amendment was adopted, a majority of the members serving voting therefor.

Rep. Pastor moved to amend the bill as follows:

1. Amend page 4, following line 7, by striking out all of enacting section 2 and inserting:

“Enacting section 2. This amendatory act takes effect January 1, 2004.”.

The motion prevailed and the amendment was adopted, a majority of the members serving voting therefor.

Rep. Richardville moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Rep. Richardville moved that the bill be placed on its immediate passage.

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

By unanimous consent the House returned to the order of

Third Reading of Bills

Senate Bill No. 537, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending section 74117 (MCL 324.74117), as added by 1995 PA 58; and to repeal acts and parts of acts.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 318

Yeas—57

Accavitti	Hart	Minore	Smith
Anderson	Hood	Moolenaar	Spade
Brown	Hopgood	Murphy	Stallworth
Byrum	Hunter	Nitz	Steil
Caswell	Jamnick	O’Neil	Taub
Cheeks	Johnson, Rick	Paletko	Tobocman
Clack	Kolb	Pastor	Vagnozzi
Condino	Kooiman	Phillips	Walker
Daniels	Law	Plakas	Ward
Dennis	Lipsey	Pumford	Waters
Emmons	McConico	Reeves	Wenke
Farrah	Meisner	Rivet	Whitmer
Gaffney	Meyer	Sheltrown	Williams
Gielegghem	Middaugh	Shulman	Zelenko
Hardman			

Nays—51

Acciavatti	Farhat	LaSata	Shaffer
Amos	Garfield	Milosch	Sheen
Bieda	Gillard	Mortimer	Stahl

Bisbee	Gleason	Newell	Stakoe
Bradstreet	Hager	Nofs	Stewart
Brandenburg	Hoogendyk	Palmer	Tabor
Casperson	Howell	Palsrok	Van Regenmorter
Caul	Huizenga	Pappageorge	Vander Veen
DeRoche	Hummel	Richardville	Voorhees
DeRossett	Hune	Robertson	Wojno
Drolet	Johnson, Ruth	Rocca	Woodward
Ehardt	Julian	Sak	Woronchak
Elkins	LaJoy	Shackleton	

In The Chair: Julian

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts.”

The House agreed to the full title.

Rep. Richardville moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Rep. Richardville moved that **Senate Bill No. 570** be placed on its immediate passage.

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

Senate Bill No. 570, entitled

A bill to amend 1972 PA 284, entitled “Business corporation act,” by amending section 1060 (MCL 450.2060), as amended by 2001 PA 57; and to repeal acts and parts of acts.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 319

Yeas—71

Accavitti	Hager	Moolenaar	Spade
Anderson	Hardman	Murphy	Stakoe
Bieda	Hart	Newell	Stallworth
Brown	Hood	Nitz	Steil
Byrum	Hopgood	O’Neil	Taub
Caswell	Howell	Paletko	Tobocman
Caul	Hunter	Phillips	Vagnozzi
Cheeks	Jamnick	Plakas	Walker
Clack	Johnson, Rick	Pumford	Ward
Condino	Kolb	Reeves	Waters
Daniels	Kooiman	Rivet	Wenke
Dennis	LaSata	Rocca	Whitmer
Elkins	Law	Sak	Williams
Emmons	Lipsey	Shackleton	Wojno
Farrah	McConico	Shaffer	Woodward
Gaffney	Meisner	Sheltrown	Woronchak
Gielegghem	Meyer	Shulman	Zelenko
Gillard	Minore	Smith	

Nays—37

Acciavatti	Farhat	LaJoy	Richardville
Amos	Garfield	Middaugh	Robertson
Bisbee	Gleason	Milosch	Sheen
Bradstreet	Hoogendyk	Mortimer	Stahl
Brandenburg	Huizenga	Nofs	Stewart
Casperson	Hummel	Palmer	Tabor
DeRoche	Hune	Palsrok	Van Regenmorter
DeRossett	Johnson, Ruth	Pappageorge	Vander Veen
Drolet	Julian	Pastor	Voorhees
Ehardt			

In The Chair: Julian

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to provide for the organization and regulation of corporations; to prescribe their duties, rights, powers, immunities and liabilities; to provide for the authorization of foreign corporations within this state; to prescribe the functions of the administrator of this act; to prescribe penalties for violations of this act; and to repeal certain acts and parts of acts,”.

The House agreed to the full title.

Rep. Richardville moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Rep. Richardville moved that **Senate Bill No. 571** be placed on its immediate passage.

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

Senate Bill No. 571, entitled

A bill to amend 1982 PA 162, entitled “Nonprofit corporation act,” by amending section 1060 (MCL 450.3060), as amended by 1984 PA 209; and to repeal acts and parts of acts.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 320**Yeas—62**

Accavitti	Hardman	Murphy	Stakoe
Anderson	Hart	Newell	Stallworth
Brown	Hood	O’Neil	Steil
Byrum	Hopgood	Paletko	Taub
Cheeks	Hunter	Phillips	Tobocman
Clack	Jamnack	Plakas	Vagnozzi
Condino	Johnson, Rick	Pumford	Walker
Daniels	Kolb	Reeves	Ward
Dennis	LaSata	Rivet	Waters
Elkins	Law	Sak	Wenke
Emmons	Lipsey	Shaffer	Whitmer
Farrah	McConico	Sheltrown	Williams
Gaffney	Meisner	Shulman	Woodward
Gielegem	Meyer	Smith	Woronchak
Gleason	Minore	Spade	Zelenko
Hager	Moolenaar		

Nays—46

Acciavatti	Ehardt	LaJoy	Robertson
Amos	Farhat	Middaugh	Rocca
Bieda	Garfield	Milosch	Shackleton
Bisbee	Gillard	Mortimer	Sheen
Bradstreet	Hoogendyk	Nitz	Stahl
Brandenburg	Howell	Nofs	Stewart
Casperson	Huizenga	Palmer	Tabor
Caswell	Hummel	Palsrok	Van Regenmorter
Caul	Hune	Pappageorge	Vander Veen
DeRoche	Johnson, Ruth	Pastor	Voorhees
DeRossett	Julian	Richardville	Wojno
Drolet	Kooiman		

In The Chair: Julian

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to revise, consolidate, and classify the laws relating to the organization and regulation of certain nonprofit corporations; to prescribe their duties, rights, powers, immunities, and liabilities; to provide for the authorization of foreign nonprofit corporations within this state; to impose certain duties on certain state departments; to prescribe fees; to prescribe penalties for violations of this act; and to repeal certain acts and parts of acts.”

The House agreed to the full title.

Rep. Richardville moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Rep. Richardville moved that **Senate Bill No. 572** be placed on its immediate passage.

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

Senate Bill No. 572, entitled

A bill to amend 1961 PA 108, entitled “An act to provide for loans by the state of Michigan to school districts for the payment of principal and interest upon school bonds; to prescribe the terms and conditions of the loans and the conditions upon which levies for bond principal and interest shall be included in computing the amount to be so loaned by the state; to prescribe the powers and duties of the superintendent of public instruction and the state treasurer in relation to such loans; to provide for the repayment of such loans; to provide incentives for repayment of such loans; to provide for other matters in respect to such loans; and to make an appropriation,” (MCL 388.951 to 388.963) by adding section 9c.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 321**Yeas—108**

Accavitti	Garfield	Meyer	Sheen
Acciavatti	Gielegem	Middaugh	Sheltrown
Amos	Gillard	Milosch	Shulman
Anderson	Gleason	Minore	Smith
Bieda	Hager	Moolenaar	Spade
Bisbee	Hardman	Mortimer	Stahl
Bradstreet	Hart	Murphy	Stakoe
Brandenburg	Hood	Newell	Stallworth
Brown	Hoogendyk	Nitz	Steil
Byrum	Hopgood	Nofs	Stewart
Casperson	Howell	O’Neil	Tabor
Caswell	Huizenga	Paletko	Taub

Caul	Hummel	Palmer	Tobocman
Cheeks	Hune	Palsrok	Vagnozzi
Clack	Hunter	Pappageorge	Van Regenmorter
Condino	Jamnack	Pastor	Vander Veen
Daniels	Johnson, Rick	Phillips	Voorhees
Dennis	Johnson, Ruth	Plakas	Walker
DeRoche	Julian	Pumford	Ward
DeRossett	Kolb	Reeves	Waters
Drolet	Kooiman	Richardville	Wenke
Ehardt	LaJoy	Rivet	Whitmer
Elkins	LaSata	Robertson	Williams
Emmons	Law	Rocca	Wojno
Farhat	Lipsey	Sak	Woodward
Farrah	McConico	Shackleton	Woronchak
Gaffney	Meisner	Shaffer	Zelenko

Nays—0

In The Chair: Julian

The House agreed to the title of the bill.

Rep. Richardville moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Rep. Richardville moved that **Senate Bill No. 573** be placed on its immediate passage.

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

Senate Bill No. 573, entitled

A bill to amend 1985 PA 227, entitled "Shared credit rating act," by amending section 8 (MCL 141.1058), as amended by 2000 PA 416.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 322**Yeas—107**

Accavitti	Gielegem	Middaugh	Sheltrown
Acciavatti	Gillard	Milosch	Shulman
Amos	Gleason	Minore	Smith
Anderson	Hager	Moolenaar	Spade
Bieda	Hardman	Mortimer	Stahl
Bisbee	Hart	Murphy	Stakoe
Bradstreet	Hood	Newell	Stallworth
Brandenburg	Hoogendyk	Nitz	Steil
Brown	Hopgood	Nofs	Stewart
Byrum	Howell	O'Neil	Tabor
Casperson	Huizenga	Paletko	Taub
Caswell	Hummel	Palmer	Tobocman
Caul	Hune	Palsrok	Vagnozzi
Cheeks	Hunter	Pappageorge	Van Regenmorter
Clack	Jamnack	Pastor	Vander Veen
Condino	Johnson, Rick	Phillips	Voorhees
Daniels	Johnson, Ruth	Plakas	Walker
Dennis	Julian	Pumford	Ward
DeRoche	Kolb	Reeves	Waters

DeRossett	Kooiman	Richardville	Wenke
Drolet	LaJoy	Rivet	Whitmer
Elkins	LaSata	Robertson	Williams
Emmons	Law	Rocca	Wojno
Farhat	Lipsey	Sak	Woodward
Farrah	McConico	Shackleton	Woronchak
Gaffney	Meisner	Shaffer	Zelenko
Garfield	Meyer	Sheen	

Nays—0

In The Chair: Julian

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to create the Michigan municipal bond authority and to prescribe its powers and duties; to provide for the issuance of, and terms and conditions for, notes and bonds of the authority; to authorize certain forms of assistance to governmental units including the creation and management of investments; to impose conditions on, grant certain powers to political subdivisions of the state and water suppliers regarding, and allow certain agreements regarding obligations of political subdivisions of this state and water suppliers purchased by the authority; to exempt the property, income, and operation of the authority, its bonds and notes, and the interest on its bonds and notes from certain taxes; to grant powers and impose duties on officers and agencies of the state, political subdivisions of this state, and water suppliers; to accept and expend certain appropriations; and to repeal acts and parts of acts.”.

The House agreed to the full title.

Rep. Richardville moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Second Reading of Bills

Rep. Richardville moved that Rule 48 be suspended.

The motion prevailed, 3/5 of the members present voting therefor.

Senate Bill No. 574, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending sections 81101, 81115, 81116, 81117, 81118, 81125, 81129, and 81130 (MCL 324.81101, 324.81115, 324.81116, 324.81117, 324.81118, 324.81125, 324.81129, and 324.81130), section 81101 as amended by 1998 PA 86, sections 81115, 81117, 81118, 81125, 81129, and 81130 as added by 1995 PA 58, and section 81116 as amended by 1995 PA 99.

Was read a second time, and the question being on the adoption of the proposed amendment previously recommended by the Committee on Appropriations (for amendment, see today’s Journal, p. 1045),

The amendment was adopted, a majority of the members serving voting therefor.

Rep. Brown moved to amend the bill as follows:

1. Amend page 9, line 5, by striking out all of section 81125.

2. Amend page 14, following line 27, following enacting section 1, by inserting:

“Enacting section 2. Section 81125 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.81125, is repealed.”.

The motion prevailed and the amendments were adopted, a majority of the members serving voting therefor.

Rep. Richardville moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Rep. Richardville moved that the bill be placed on its immediate passage.

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

Rep. Gillard moved that Rep. Meisner be excused temporarily from today’s session.

The motion prevailed.

Rep. Hood moved that Rep. Plakas be excused temporarily from today's session.
The motion prevailed.

Rep. Zelenko moved that Rep. Daniels be excused temporarily from today's session.
The motion prevailed.

By unanimous consent the House returned to the order of
Third Reading of Bills

Senate Bill No. 574, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 81101, 81115, 81116, 81117, 81118, 81125, 81129, and 81130 (MCL 324.81101, 324.81115, 324.81116, 324.81117, 324.81118, 324.81125, 324.81129, and 324.81130), section 81101 as amended by 1998 PA 86, sections 81115, 81117, 81118, 81125, 81129, and 81130 as added by 1995 PA 58, and section 81116 as amended by 1995 PA 99.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 323

Yeas—103

Accavitti	Garfield	Middaugh	Shulman
Acciavatti	Gielegem	Milosch	Smith
Amos	Gillard	Minore	Spade
Anderson	Gleason	Moolenaar	Stahl
Bieda	Hager	Mortimer	Stakoe
Bisbee	Hardman	Murphy	Stallworth
Bradstreet	Hart	Newell	Steil
Brandenburg	Hood	Nitz	Stewart
Brown	Hoogendyk	Nofs	Tabor
Byrum	Hopgood	O'Neil	Taub
Casperson	Howell	Paletko	Tobocman
Caswell	Huizenga	Palmer	Vagnozzi
Caul	Hummel	Palsrok	Van Regenmorter
Cheeks	Hune	Pappageorge	Vander Veen
Clack	Hunter	Pastor	Voorhees
Condino	Jamnick	Phillips	Walker
Dennis	Johnson, Rick	Pumford	Ward
DeRoche	Johnson, Ruth	Reeves	Waters
DeRossett	Julian	Richardville	Wenke
Drolet	Kolb	Robertson	Whitmer
Ehardt	Kooiman	Rocca	Williams
Elkins	LaJoy	Sak	Wojno
Emmons	LaSata	Shackleton	Woodward
Farhat	Law	Shaffer	Woronchak
Farrah	Lipsey	Sheen	Zelenko
Gaffney	Meyer	Sheltrown	

Nays—0

In The Chair: Julian

The question being on agreeing to the title of the bill,

Rep. Richardville moved to amend the title to read as follows:

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 81101, 81115, 81116, 81117, 81118, 81129, and 81130 (MCL 324.81101, 324.81115, 324.81116, 324.81117, 324.81118,

324.81129, and 324.81130), section 81101 as amended by 1998 PA 86, sections 81115, 81117, 81118, 81129, and 81130 as added by 1995 PA 58, and section 81116 as amended by 1995 PA 99; and to repeal acts and parts of acts.

The motion prevailed.

The House agreed to the title as amended.

Rep. Richardville moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Rep. Richardville moved that **Senate Bill No. 589** be placed on its immediate passage.

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

Senate Bill No. 589, entitled

A bill to amend 1978 PA 368, entitled “Public health code,” by amending section 20161 (MCL 333.20161), as amended by 2002 PA 562.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 324

Yeas—106

Accavitti	Garfield	Middaugh	Sheltrown
Acciavatti	Gielegem	Milosch	Shulman
Amos	Gillard	Minore	Smith
Anderson	Gleason	Moolenaar	Spade
Bieda	Hager	Mortimer	Stahl
Bisbee	Hardman	Murphy	Stakoe
Bradstreet	Hart	Newell	Stallworth
Brandenburg	Hood	Nitz	Steil
Brown	Hoogendyk	Nofs	Stewart
Byrum	Hopgood	O’Neil	Tabor
Casperson	Howell	Paletko	Taub
Caswell	Huizenga	Palmer	Tobocman
Caul	Hummel	Palsrok	Vagnozzi
Cheeks	Hune	Pappageorge	Van Regenmorter
Clack	Hunter	Pastor	Vander Veen
Condino	Jamnick	Phillips	Voorhees
Daniels	Johnson, Rick	Plakas	Walker
Dennis	Johnson, Ruth	Pumford	Ward
DeRoche	Julian	Reeves	Waters
DeRossett	Kolb	Richardville	Wenke
Drolet	Kooiman	Robertson	Whitmer
Ehardt	LaJoy	Rocca	Williams
Elkins	LaSata	Sak	Wojno
Emmons	Law	Shackleton	Woodward
Farhat	Lipsey	Shaffer	Woronchak
Farrah	Meisner	Sheen	Zelenko
Gaffney	Meyer		

Nays—0

In The Chair: Julian

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials;

to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to provide for an appropriation and supplements; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates.”.

The House agreed to the full title.

Rep. Richardville moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Second Reading of Bills

Rep. Richardville moved that Rule 48 be suspended.

The motion prevailed, 3/5 of the members present voting therefor.

House Bill No. 4866, entitled

A bill to amend 1961 PA 112, entitled “An act to authorize and provide for the issuance, sale, and refunding of bonds, notes, or commercial paper of the state; to provide funds for making loans to school districts for payment of principal and interest on certain school bonds; to provide for use of moneys repaid to the state by school districts; and to make an appropriation,” by amending section 3 (MCL 388.983), as amended by 1991 PA 64.

Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Appropriations,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. Nofs moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Rep. Richardville moved that the bill be placed on its immediate passage.

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

By unanimous consent the House returned to the order of

Third Reading of Bills

House Bill No. 4866, entitled

A bill to amend 1961 PA 112, entitled “An act to authorize and provide for the issuance, sale, and refunding of bonds, notes, or commercial paper of the state; to provide funds for making loans to school districts for payment of principal and interest on certain school bonds; to provide for use of moneys repaid to the state by school districts; and to make an appropriation,” by amending section 3 (MCL 388.983), as amended by 1991 PA 64.

The bill was read a third time.

The question being on the passage of the bill,

Rep. Richardville moved that consideration of the bill be postponed temporarily.

The motion prevailed.

Rep. Jamnick moved that Rep. Minore be excused temporarily from today’s session.

The motion prevailed.

Rep. Waters moved that Rep. McConico be excused temporarily from today’s session.

The motion prevailed.

By unanimous consent the House returned to the order of
Reports of Standing Committees

The Speaker laid before the House

House Concurrent Resolution No. 17.

A concurrent resolution approving the conveyance of property to the State Building Authority and approving a lease among the State of Michigan, the State Building Authority, and Kellogg Community College relative to the Kellogg Community College Career Development Center/Science Building Renovations.

(For text of concurrent resolution, see House Journal No. 52, p. 865.)

(The concurrent resolution was reported by the Committee on Appropriations on June 24, consideration of which, under the rules, was postponed until today.)

The question being on the adoption of the concurrent resolution,

The Clerk made the following statement:

“Mr. Speaker and members of the House, the lease and exhibits attached to the resolution are available for review by the membership in the Clerk’s office.”

The question being on the adoption of the concurrent resolution,

The concurrent resolution was adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 325

Yeas—106

Accavitti	Garfield	Middaugh	Sheltrown
Acciavatti	Gieleghem	Milosch	Shulman
Amos	Gillard	Moolenaar	Smith
Anderson	Gleason	Mortimer	Spade
Bieda	Hager	Murphy	Stahl
Bisbee	Hardman	Newell	Stakoe
Bradstreet	Hart	Nitz	Stallworth
Brandenburg	Hood	Nofs	Steil
Brown	Hoogendyk	O’Neil	Stewart
Byrum	Hopgood	Paletko	Tabor
Casperson	Howell	Palmer	Taub
Caswell	Huizenga	Palsrok	Tobocman
Caul	Hummel	Pappageorge	Vagnozzi
Cheeks	Hune	Pastor	Van Regenmorter
Clack	Hunter	Phillips	Vander Veen
Condino	Jamnick	Plakas	Voorhees
Daniels	Johnson, Rick	Pumford	Walker
Dennis	Johnson, Ruth	Reeves	Ward
DeRoche	Julian	Richardville	Waters
DeRossett	Kolb	Rivet	Wenke
Drolet	Kooiman	Robertson	Whitmer
Ehardt	LaJoy	Rocca	Williams
Elkins	LaSata	Sak	Wojno
Emmons	Law	Shackleton	Woodward
Farhat	Lipsey	Shaffer	Woronchak
Farrah	Meisner	Sheen	Zelenko
Gaffney	Meyer		

Nays—0

In The Chair: Julian

Rep. Meisner, under Rule 33, made the following statement:

“Mr. Speaker and members of the House:

I was absent from the Chamber when the vote was taken on Roll Call No. 323. Had I been present, I would have voted ‘yea’.”

The Speaker laid before the House

House Concurrent Resolution No. 18.

A concurrent resolution approving the conveyance of property to the State Building Authority and approving a lease among the State of Michigan, the State Building Authority, and Jackson Community College relative to the Jackson Community College Lenawee Extension Center.

(For text of concurrent resolution, see House Journal No. 52, p. 866.)

(The concurrent resolution was reported by the Committee on Appropriations on June 24, consideration of which, under the rules, was postponed until today.)

The question being on the adoption of the concurrent resolution,

The Clerk made the following statement:

“Mr. Speaker and members of the House, the lease and exhibits attached to the resolution are available for review by the membership in the Clerk’s office.”

The question being on the adoption of the concurrent resolution,

The concurrent resolution was adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 326

Yeas—107

Accavitti	Garfield	Middaugh	Sheltrown
Acciavatti	Gielegem	Milosch	Shulman
Amos	Gillard	Minore	Smith
Anderson	Gleason	Moolenaar	Spade
Bieda	Hager	Mortimer	Stahl
Bisbee	Hardman	Murphy	Stakoe
Bradstreet	Hart	Newell	Stallworth
Brandenburg	Hood	Nitz	Steil
Brown	Hoogendyk	Nofs	Stewart
Byrum	Hopgood	O’Neil	Tabor
Casperson	Howell	Paletko	Taub
Caswell	Huizenga	Palmer	Tobocman
Caul	Hummel	Palsrok	Vagnozzi
Cheeks	Hune	Pappageorge	Van Regenmorter
Clack	Hunter	Pastor	Vander Veen
Condino	Jamnick	Phillips	Voorhees
Daniels	Johnson, Rick	Plakas	Walker
Dennis	Johnson, Ruth	Pumford	Ward
DeRoche	Julian	Reeves	Waters
DeRossett	Kolb	Richardville	Wenke
Drolet	Kooiman	Rivet	Whitmer
Ehardt	LaJoy	Robertson	Williams
Elkins	LaSata	Rocca	Wojno
Emmons	Law	Sak	Woodward
Farhat	Lipsey	Shackleton	Woronchak
Farrah	Meisner	Shaffer	Zelenko
Gaffney	Meyer	Sheen	

Nays—0

In The Chair: Julian

The Speaker laid before the House

House Concurrent Resolution No. 19.

A concurrent resolution approving the conveyance of property to the State Building Authority and approving a lease among the State of Michigan, the State Building Authority, and Southwestern Michigan College relative to the Southwestern Michigan College Instructional Resource Center.

(For text of concurrent resolution, see House Journal No. 52, p. 866.)

(The concurrent resolution was reported by the Committee on Appropriations on June 24, consideration of which, under the rules, was postponed until today.)

The question being on the adoption of the concurrent resolution,

The Clerk made the following statement:

“Mr. Speaker and members of the House, the lease and exhibits attached to the resolution are available for review by the membership in the Clerk’s office.”

The question being on the adoption of the concurrent resolution,

The concurrent resolution was adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 327

Yeas—107

Accavitti	Garfield	Middaugh	Sheltrown
Acciavatti	Gillard	Milosch	Shulman
Amos	Gleason	Minore	Smith
Anderson	Hager	Moolenaar	Spade
Bieda	Hardman	Mortimer	Stahl
Bisbee	Hart	Murphy	Stakoe
Bradstreet	Hood	Newell	Stallworth
Brandenburg	Hoogendyk	Nitz	Steil
Brown	Hopgood	Nofs	Stewart
Byrum	Howell	O’Neil	Tabor
Casperson	Huizenga	Paletko	Taub
Caswell	Hummel	Palmer	Tobocman
Caul	Hune	Palsrok	Vagnozzi
Cheeks	Hunter	Pappageorge	Van Regenmorter
Clack	Jamnick	Pastor	Vander Veen
Condino	Johnson, Rick	Phillips	Voorhees
Daniels	Johnson, Ruth	Plakas	Walker
Dennis	Julian	Pumford	Ward
DeRoche	Kolb	Reeves	Waters
DeRossett	Kooiman	Richardville	Wenke
Drolet	LaJoy	Rivet	Whitmer
Ehardt	LaSata	Robertson	Williams
Elkins	Law	Rocca	Wojno
Emmons	Lipsey	Sak	Woodward
Farhat	McConico	Shackleton	Woronchak
Farrah	Meisner	Shaffer	Zelenko
Gaffney	Meyer	Sheen	

Nays—0

In The Chair: Julian

The Speaker laid before the House

House Concurrent Resolution No. 21.

A concurrent resolution approving the conveyance of property to the State Building Authority and approving a lease between the State of Michigan and the State Building Authority relative to the Department of Natural Resources State Fish Hatchery Renovations Platte Project.

(For text of concurrent resolution, see House Journal No. 54, p. 963.)

(The concurrent resolution was reported by the Committee on Appropriations on June 24, consideration of which, under the rules, was postponed until today.)

The question being on the adoption of the concurrent resolution,

The Clerk made the following statement:

“Mr. Speaker and members of the House, the lease and exhibits attached to the resolution are available for review by the membership in the Clerk’s office.”

The question being on the adoption of the concurrent resolution,

The concurrent resolution was adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 328

Yeas—106

Accavitti	Gielegem	Middaugh	Sheltrown
Acciavatti	Gillard	Milosch	Shulman
Amos	Gleason	Minore	Smith
Anderson	Hager	Moolenaar	Spade
Bieda	Hardman	Mortimer	Stahl
Bisbee	Hart	Murphy	Stakoe
Bradstreet	Hood	Newell	Stallworth
Brandenburg	Hoogendyk	Nitz	Steil
Brown	Hopgood	Nofs	Stewart
Byrum	Howell	O’Neil	Tabor
Casperson	Huizenga	Paletko	Taub
Caswell	Hummel	Palmer	Tobocman
Caul	Hune	Palsrok	Vagnozzi
Cheeks	Hunter	Pappageorge	Van Regenmorter
Clack	Jamnick	Pastor	Vander Veen
Condino	Johnson, Rick	Phillips	Voorhees
Daniels	Johnson, Ruth	Plakas	Walker
Dennis	Julian	Pumford	Ward
DeRoche	Kolb	Reeves	Waters
DeRossett	Kooiman	Richardville	Wenke
Drolet	LaJoy	Robertson	Whitmer
Elkins	LaSata	Rocca	Williams
Emmons	Law	Sak	Wojno
Farhat	Lipsey	Shackleton	Woodward
Farrah	McConico	Shaffer	Woronchak
Gaffney	Meisner	Sheen	Zelenko
Garfield	Meyer		

Nays—0

In The Chair: Julian

The Speaker laid before the House

House Concurrent Resolution No. 20.

A concurrent resolution approving the conveyance of property to the State Building Authority and approving a lease among the State of Michigan, the State Building Authority, and Northwestern Michigan College relative to the Northwestern Michigan College West Bay Reconstruction Project.

(For text of concurrent resolution, see House Journal No. 52, p. 867.)

(The concurrent resolution was reported by the Committee on Appropriations on June 24, consideration of which, under the rules, was postponed until today.)

The question being on the adoption of the concurrent resolution,

The Clerk made the following statement:

“Mr. Speaker and members of the House, the lease and exhibits attached to the resolution are available for review by the membership in the Clerk’s office.”

The question being on the adoption of the concurrent resolution,

The concurrent resolution was adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 329

Yeas—108

Accavitti	Garfield	Meyer	Sheen
Acciavatti	Gielegem	Middaugh	Sheltrown
Amos	Gillard	Milosch	Shulman
Anderson	Gleason	Minore	Smith
Bieda	Hager	Moolenaar	Spade
Bisbee	Hardman	Mortimer	Stahl
Bradstreet	Hart	Murphy	Stakoe
Brandenburg	Hood	Newell	Stallworth
Brown	Hoogendyk	Nitz	Steil
Byrum	Hopgood	Nofs	Stewart
Casperson	Howell	O’Neil	Tabor
Caswell	Huizenga	Paletko	Taub
Caul	Hummel	Palmer	Tobocman
Cheeks	Hune	Palsrok	Vagnozzi
Clack	Hunter	Pappageorge	Van Regenmorter
Condino	Jamnick	Pastor	Vander Veen
Daniels	Johnson, Rick	Phillips	Voorhees
Dennis	Johnson, Ruth	Plakas	Walker
DeRoche	Julian	Pumford	Ward
DeRossett	Kolb	Reeves	Waters
Drolet	Kooiman	Richardville	Wenke
Ehardt	LaJoy	Rivet	Whitmer
Elkins	LaSata	Robertson	Williams
Emmons	Law	Rocca	Wojno
Farhat	Lipsey	Sak	Woodward
Farrah	McConico	Shackleton	Woronchak
Gaffney	Meisner	Shaffer	Zelenko

Nays—0

In The Chair: Julian

The Speaker laid before the House

House Concurrent Resolution No. 22.

A concurrent resolution approving the conveyance of property to the State Building Authority and approving a lease among the State of Michigan, the State Building Authority, and Western Michigan University relative to the Western Michigan University Health and Human Services Building.

(For text of concurrent resolution, see House Journal No. 54, p. 964.)

(The concurrent resolution was reported by the Committee on Appropriations on June 24, consideration of which, under the rules, was postponed until today.)

The question being on the adoption of the concurrent resolution,

The Clerk made the following statement:

“Mr. Speaker and members of the House, the lease and exhibits attached to the resolution are available for review by the membership in the Clerk’s office.”

The question being on the adoption of the concurrent resolution,

The concurrent resolution was adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 330**Yeas—108**

Accavitti	Garfield	Meyer	Sheen
Acciavatti	Gielegem	Middaugh	Sheltrown
Amos	Gillard	Milosch	Shulman
Anderson	Gleason	Minore	Smith
Bieda	Hager	Moolenaar	Spade
Bisbee	Hardman	Mortimer	Stahl
Bradstreet	Hart	Murphy	Stakoe
Brandenburg	Hood	Newell	Stallworth
Brown	Hoogendyk	Nitz	Steil
Byrum	Hopgood	Nofs	Stewart
Casperson	Howell	O'Neil	Tabor
Caswell	Huizenga	Paletko	Taub
Caul	Hummel	Palmer	Tobocman
Cheeks	Hune	Palsrok	Vagnozzi
Clack	Hunter	Pappageorge	Van Regenmorter
Condino	Jamnick	Pastor	Vander Veen
Daniels	Johnson, Rick	Phillips	Voorhees
Dennis	Johnson, Ruth	Plakas	Walker
DeRoche	Julian	Pumford	Ward
DeRossett	Kolb	Reeves	Waters
Drolet	Kooiman	Richardville	Wenke
Ehardt	LaJoy	Rivet	Whitmer
Elkins	LaSata	Robertson	Williams
Emmons	Law	Rocca	Wojno
Farhat	Lipsey	Sak	Woodward
Farrah	McConico	Shackleton	Woronchak
Gaffney	Meisner	Shaffer	Zelenko

Nays—0

In The Chair: Julian

The Speaker laid before the House

House Concurrent Resolution No. 23.

A concurrent resolution approving the conveyance of property to the State Building Authority and approving a lease among the State of Michigan, the State Building Authority, and Lake Michigan College relative to the Lake Michigan College Van Buren Center.

(For text of concurrent resolution, see House Journal No. 54, p. 965.)

(The concurrent resolution was reported by the Committee on Appropriations on June 24, consideration of which, under the rules, was postponed until today.)

The question being on the adoption of the concurrent resolution,

The Clerk made the following statement:

“Mr. Speaker and members of the House, the lease and exhibits attached to the resolution are available for review by the membership in the Clerk’s office.”

The question being on the adoption of the concurrent resolution,

The concurrent resolution was adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 331**Yeas—108**

Accavitti	Garfield	Meyer	Sheen
Acciavatti	Gielegem	Middaugh	Sheltrown
Amos	Gillard	Milosch	Shulman
Anderson	Gleason	Minore	Smith
Bieda	Hager	Moolenaar	Spade
Bisbee	Hardman	Mortimer	Stahl
Bradstreet	Hart	Murphy	Stakoe
Brandenburg	Hood	Newell	Stallworth
Brown	Hoogendyk	Nitz	Steil
Byrum	Hopgood	Nofs	Stewart
Casperson	Howell	O'Neil	Tabor
Caswell	Huizenga	Paletko	Taub
Caul	Hummel	Palmer	Tobocman
Cheeks	Hune	Palsrok	Vagnozzi
Clack	Hunter	Pappageorge	Van Regenmorter
Condino	Jamnick	Pastor	Vander Veen
Daniels	Johnson, Rick	Phillips	Voorhees
Dennis	Johnson, Ruth	Plakas	Walker
DeRoche	Julian	Pumford	Ward
DeRossett	Kolb	Reeves	Waters
Drolet	Kooiman	Richardville	Wenke
Ehardt	LaJoy	Rivet	Whitmer
Elkins	LaSata	Robertson	Williams
Emmons	Law	Rocca	Wojno
Farhat	Lipsey	Sak	Woodward
Farrah	McConico	Shackleton	Woronchak
Gaffney	Meisner	Shaffer	Zelenko

Nays—0

In The Chair: Julian

The Speaker laid before the House

House Resolution No. 85.

A resolution to urge the Michigan State Transportation Commission to amend the Governor's proposed Five Year Road & Bridge Program (2003-2007) to include certain projects.

(For text of resolution, see House Journal No. 54, p. 960.)

(The resolution was reported by the Committee on Commerce on June 24, consideration of which, under the rules, was postponed until today.)

The question being on the adoption of the resolution,

The resolution was adopted.

Messages from the Senate

The Speaker laid before the House

House Bill No. 4408, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 82101 (MCL 324.82101), as amended by 1997 PA 102.

(The bill was received from the Senate on June 24, with substitute (S-1), full title inserted and immediate effect given by the Senate, consideration of which, under the rules, was postponed until today, see House Journal No. 55, p. 1020.)

The question being on concurring in the substitute (S-1) made to the bill by the Senate,

The substitute (S-1) was concurred in, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 332**Yeas—108**

Accavitti	Garfield	Meyer	Sheen
Acciavatti	Gieleghem	Middaugh	Sheltrown
Amos	Gillard	Milosch	Shulman
Anderson	Gleason	Minore	Smith
Bieda	Hager	Moolenaar	Spade
Bisbee	Hardman	Mortimer	Stahl
Bradstreet	Hart	Murphy	Stakoe
Brandenburg	Hood	Newell	Stallworth
Brown	Hoogendyk	Nitz	Steil
Byrum	Hopgood	Nofs	Stewart
Casperson	Howell	O'Neil	Tabor
Caswell	Huizenga	Paletko	Taub
Caul	Hummel	Palmer	Tobocman
Cheeks	Hune	Palsrok	Vagnozzi
Clack	Hunter	Pappageorge	Van Regenmorter
Condino	Jamnick	Pastor	Vander Veen
Daniels	Johnson, Rick	Phillips	Voorhees
Dennis	Johnson, Ruth	Plakas	Walker
DeRoche	Julian	Pumford	Ward
DeRossett	Kolb	Reeves	Waters
Drolet	Kooiman	Richardville	Wenke
Ehardt	LaJoy	Rivet	Whitmer
Elkins	LaSata	Robertson	Williams
Emmons	Law	Rocca	Wojno
Farhat	Lipsey	Sak	Woodward
Farrah	McConico	Shackleton	Woronchak
Gaffney	Meisner	Shaffer	Zelenko

Nays—0

In The Chair: Julian

The House agreed to the full title of the bill.

The bill was referred to the Clerk for enrollment printing and presentation to the Governor.

The Speaker laid before the House

House Bill No. 4519, entitled

A bill to require certain notices regarding the transmission of unsolicited commercial e-mail; to establish procedures for e-mail service providers; to allow recipients of e-mail to be excluded from receiving future unsolicited commercial e-mail; and to prescribe penalties and remedies.

(The bill was received from the Senate on June 24, with substitute (S-1) and immediate effect given by the Senate, consideration of which, under the rules, was postponed until today, see House Journal No. 55, p. 1020.)

The question being on concurring in the substitute (S-1) made to the bill by the Senate,

The substitute (S-1) was concurred in, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 333**Yeas—107**

Accavitti	Gieleghem	Middaugh	Sheltrown
Acciavatti	Gillard	Milosch	Shulman

Amos	Gleason	Minore	Smith
Anderson	Hager	Moolenaar	Spade
Bieda	Hardman	Mortimer	Stahl
Bisbee	Hart	Murphy	Stakoe
Bradstreet	Hood	Newell	Stallworth
Brandenburg	Hoogendyk	Nitz	Steil
Brown	Hopgood	Nofs	Stewart
Byrum	Howell	O'Neil	Tabor
Casperson	Huizenga	Paletko	Taub
Caswell	Hummel	Palmer	Tobocman
Caul	Hune	Palsrok	Vagnozzi
Cheeks	Hunter	Pappageorge	Van Regenmorter
Clack	Jamnick	Pastor	Vander Veen
Condino	Johnson, Rick	Phillips	Voorhees
Daniels	Johnson, Ruth	Plakas	Walker
Dennis	Julian	Pumford	Ward
DeRoche	Kolb	Reeves	Waters
DeRossett	Kooiman	Richardville	Wenke
Drolet	LaJoy	Rivet	Whitmer
Elkins	LaSata	Robertson	Williams
Emmons	Law	Rocca	Wojno
Farhat	Lipsey	Sak	Woodward
Farrah	McConico	Shackleton	Woronchak
Gaffney	Meisner	Shaffer	Zelenko
Garfield	Meyer	Sheen	

Nays—0

In The Chair: Julian

The bill was referred to the Clerk for enrollment printing and presentation to the Governor.

Second Reading of Bills

House Bill No. 4146, entitled

A bill to amend 2000 PA 321, entitled "Recreational authorities act," by amending sections 3 and 5 (MCL 123.1133 and 123.1135).

Was read a second time, and the question being on the adoption of the proposed substitute (H-2) previously recommended by the Committee on Local Government and Urban Policy,

The substitute (H-2) was adopted, a majority of the members serving voting therefor.

Rep. Ward moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Rep. Richardville moved that the bill be placed on its immediate passage.

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

By unanimous consent the House returned to the order of

Third Reading of Bills

House Bill No. 4146, entitled

A bill to amend 2000 PA 321, entitled "Recreational authorities act," by amending sections 3 and 5 (MCL 123.1133 and 123.1135).

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 334**Yeas—106**

Accavitti	Garfield	Meyer	Sheltrown
Acciavatti	Gieleghem	Middaugh	Shulman
Amos	Gillard	Minore	Smith
Anderson	Gleason	Moolenaar	Spade
Bieda	Hager	Mortimer	Stahl
Bisbee	Hardman	Murphy	Stakoe
Bradstreet	Hart	Newell	Stallworth
Brandenburg	Hood	Nitz	Steil
Brown	Hoogendyk	Nofs	Stewart
Byrum	Hopgood	O'Neil	Tabor
Casperson	Howell	Paletko	Taub
Caswell	Huizenga	Palsrok	Tobocman
Caul	Hummel	Pappageorge	Vagnozzi
Cheeks	Hune	Pastor	Van Regenmorter
Clack	Hunter	Phillips	Vander Veen
Condino	Jamnick	Plakas	Voorhees
Daniels	Johnson, Rick	Pumford	Walker
Dennis	Johnson, Ruth	Reeves	Ward
DeRoche	Julian	Richardville	Waters
DeRossett	Kolb	Rivet	Wenke
Drolet	Kooiman	Robertson	Whitmer
Ehardt	LaJoy	Rocca	Williams
Elkins	LaSata	Sak	Wojno
Emmons	Law	Shackleton	Woodward
Farhat	Lipsey	Shaffer	Woronchak
Farrah	McConico	Sheen	Zelenko
Gaffney	Meisner		

Nays—2

Milosch Palmer

In The Chair: Julian

The question being on agreeing to the title of the bill,

Rep. Richardville moved to amend the title to read as follows:

A bill to amend 2000 PA 321, entitled "Recreational authorities act," by amending sections 3, 5, 11, 21, and 23 (MCL 123.1133, 123.1135, 123.1141, 123.1151, and 123.1153), section 21 as amended by 2002 PA 233.

The motion prevailed.

The House agreed to the title as amended.

Rep. Richardville moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

By unanimous consent the House returned to the order of

Reports of Select Committees**Senate Bill No. 234, entitled**

A bill to amend 1980 PA 350, entitled "The nonprofit health care corporation reform act," by amending sections 204, 206, 207, 211, 401, 502, 602, 606, and 609 (MCL 550.1204, 550.1206, 550.1207, 550.1211, 550.1401, 550.1502, 550.1602,

550.1606, and 550.1609), section 207 as amended by 1999 PA 210, section 211 as amended by 1993 PA 127, section 401 as amended by 2000 PA 26, section 502 as amended by 1998 PA 446, and section 609 as amended by 1991 PA 61, and by adding sections 204a, 205a, 219, and 401j; and to repeal acts and parts of acts.

The Senate has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

First Conference Report

The Committee of Conference on the matters of difference between the two Houses concerning

Senate Bill No. 234, entitled

A bill to amend 1980 PA 350, entitled "The nonprofit health care corporation reform act," by amending sections 204, 206, 207, 211, 401, 502, 602, 606, and 609 (MCL 550.1204, 550.1206, 550.1207, 550.1211, 550.1401, 550.1502, 550.1602, 550.1606, and 550.1609), section 207 as amended by 1999 PA 210, section 211 as amended by 1993 PA 127, section 401 as amended by 2000 PA 26, section 502 as amended by 1998 PA 446, and section 609 as amended by 1991 PA 61, and by adding sections 204a, 205a, 219, and 401j; and to repeal acts and parts of acts.

Recommends:

First: That the Senate and House agree to the Substitute of the House as passed by the House, amended to read as follows:

A bill to amend 1980 PA 350, entitled "The nonprofit health care corporation reform act," by amending sections 204, 206, 207, 211, 401, 502, 602, 606, and 609 (MCL 550.1204, 550.1206, 550.1207, 550.1211, 550.1401, 550.1502, 550.1602, 550.1606, and 550.1609), section 207 as amended by 1999 PA 210, section 211 as amended by 1993 PA 127, section 401 as amended by 2000 PA 26, section 502 as amended by 1998 PA 446, and section 609 as amended by 1991 PA 61, and by adding sections 204a, 205a, 219, 401j, 403b, and 422c; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 204. (1) Before entering into contracts or securing applications of subscribers, the persons incorporating a health care corporation shall file all of the following in the office of the commissioner:

(a) Three copies of the articles of incorporation, with the certificate of the attorney general required under section 202(3) attached.

(b) A statement showing in full detail the plan upon which the corporation proposes to transact business.

(c) A copy of all certificates to be issued to subscribers.

(d) A copy of the financial statements of the corporation.

(e) Proposed advertising to be used in the solicitation of certificates for subscribers.

(f) A copy of the bylaws.

(g) A copy of all proposed contracts and reimbursement methods.

(2) The commissioner shall examine the statements and documents filed under subsection (1), may conduct any investigation ~~which that~~ he or she considers necessary, may request additional oral and written information from the incorporators, and may examine under oath any persons interested in or connected with the proposed health care corporation. The commissioner shall ascertain whether all of the following conditions are met:

(a) The solicitation of certificates will not work a fraud upon the persons solicited by the corporation.

(b) The rates to be charged and the benefits to be provided are adequate, equitable, and not excessive, as defined in section 609.

(c) The amount of money actually available for working capital is sufficient to carry all acquisition costs and operating expenses for a reasonable period of time from the date of issuance of the certificate of authority, and is not less than \$500,000.00 or a greater amount, if the commissioner considers it necessary.

(d) The amounts contributed as the working capital of the corporation are payable only out of amounts in excess of minimum required reserves of the corporation.

(e) Adequate and ~~reasonable reserves are provided, as defined in section 205~~ **unimpaired surplus is provided, as determined under section 204a.**

(3) If the commissioner finds that the conditions prescribed in subsection (2) are met, the commissioner shall do all of the following:

(a) Return to the incorporators 1 copy of the articles of incorporation, certified for filing with the ~~chief officer~~ **director** of the department of ~~commerce~~ **commerce consumer and industry services** or of any other agency or department authorized by law to administer ~~Act No. 284 of the Public Acts of 1972, as amended, being sections 450.1101 to~~

~~450.2099 of the Michigan Compiled Laws~~ **the business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098,** or his or her designated representative, and 1 copy of the articles of incorporation certified for the records of the corporation itself.

(b) Retain 1 copy of the articles of incorporation for the commissioner's office files.

(c) Deliver to the corporation a certificate of authority to commence business and to issue certificates ~~which that~~ have been approved by the commissioner, or ~~which that~~ are exempted from prior approval pursuant to section 607(2) or ~~(7)~~ (8), entitling subscribers to certain health care benefits.

Sec. 204a. (1) A health care corporation shall possess and maintain unimpaired surplus in an amount determined adequate by the commissioner to comply with section 403 of the insurance code of 1956, 1956 PA 218, MCL 500.403. The commissioner shall follow the risk-based capital requirements as developed by the national association of insurance commissioners in order to determine whether a health care corporation is in adequate compliance with section 403 of the insurance code of 1956, 1956 PA 218, MCL 500.403.

(2) If a health care corporation files a risk-based capital report that indicates that its surplus is less than the amount determined adequate by the commissioner under subsection (1), the health care corporation shall prepare and submit a plan for remedying the deficiency in accordance with risk-based capital requirements adopted by the commissioner. Among the remedies that a health care corporation may employ are planwide viability contributions to surplus by subscribers.

(3) If contributions for planwide viability under subsection (2) are employed, those contributions shall be made in accordance with the following:

(a) If the health care corporation's surplus is less than 200% but more than 150% of the authorized control level under risk-based capital requirements, the maximum contribution rate shall be 0.5% of the rate charged to subscribers for the benefits provided.

(b) If the health care corporation's surplus is 150% or less than the authorized control level under risk-based capital requirements, the maximum contribution rate shall be 1% of the rate charged to subscribers for the benefits provided.

(c) The actual contribution rate charged is subject to the commissioner's approval.

(4) As used in subsection (3), "authorized control level" means the number determined under the risk-based capital formula in accordance with the instructions developed by the national association of insurance commissioners and adopted by the commissioner.

(5) Subject to this subsection, a health care corporation shall not maintain surplus in an amount that equals or is greater than 200% of the authorized control level under risk-based capital requirements multiplied by 5. If a health care corporation files a risk-based capital report that indicates that its surplus is more than the allowable maximum surplus permitted under this subsection for 2 successive calendar years, the health care corporation shall file a plan for approval by the commissioner to adjust its surplus to a level below the allowable maximum surplus. If the commissioner disapproves the health care corporation's plan, the commissioner shall formulate an alternate plan and forward the alternate plan to the health care corporation. The health care corporation shall begin implementation of the plan immediately upon receipt of approval of its plan by the commissioner or upon receipt of the commissioner's alternate plan.

Sec. 205a. A health care corporation shall report financial information in conformity with sound actuarial practices and statutory accounting principles in the same manner as designated by the commissioner for other carriers pursuant to section 438(2) of the insurance code of 1956, 1956 PA 218, MCL 500.438. Approved permitted practices for the sole purpose of effectuating the transfer to statutory accounting principles under this section may be used by a health care corporation until January 1, 2007.

Sec. 206. (1) The funds and property of a health care corporation shall be acquired, held, and disposed of only for the lawful purposes of the corporation and for the benefit of the subscribers of the corporation as a whole. A health care corporation shall only transact ~~such~~ business, receive, collect, and disburse ~~such~~ money, and acquire, hold, protect, and convey ~~such~~ property, ~~as are that is~~ properly within the scope of the purposes of the corporation as specifically set forth in section 202(1)(d), for the benefit of the subscribers of the corporation as a whole, and consistent with this act.

(2) The funds of a health care corporation shall be invested only in securities permitted by the laws of this state for the investments of assets of life insurance companies, as described in chapter 9 of ~~Act No. 218 of the Public Acts of 1956, as amended, being sections 500.901 to 500.947 of the Michigan Compiled Laws~~ **the insurance code of 1956, 1956 PA 218, MCL 500.901 to 500.947.**

(3) Without regard to the limitation in subsection (2), up to 2% of the assets of the health care corporation may be invested in venture-type investments. For purposes of calculating ~~the contingency reserve pursuant to section 205~~ **adequate and unimpaired surplus under section 204a,** a venture-type investment shall be carried on the books of a health care corporation at the original acquisition cost, and losses may only be realized as an offset against gains from venture-type investments. All venture-type investments under this subsection shall provide employment or capital

investment primarily within this state. Each investment under this subsection ~~shall be~~ is subject to prior approval by the board of directors. As used in this subsection, "venture-type investments" include:

(a) Common stock, preferred stock, limited partnerships, or similar equity interests acquired from the issuer subject to a provision barring resale without consent of the issuer for 5 years from the date of acquisition by the corporation.

(b) Unsecured debt instruments ~~which that~~ are either convertible into equity or have equity acquisition rights. These debt instruments shall be subordinated by their terms to all borrowings of the issuer from other institutional lenders and shall have no part amortized during the first 5 years.

(4) A health care corporation shall not market or transact, as defined in sections 402a and 402b of ~~Act No. 218 of the Public Acts of 1956, being sections 500.402a and 500.402b of the Michigan Compiled Laws~~ **the insurance code of 1956, 1956 PA 218, MCL 500.402a and 500.402b**, any type of insurance described in chapter 6 of ~~Act No. 218 of the Public Acts of 1956, as amended, being sections 500.600 to 500.644 of the Michigan Compiled Laws~~ **the insurance code of 1956, 1956 PA 218, MCL 500.600 to 500.644**. This subsection shall not be construed to prohibit the provision of prepaid health care benefits.

Sec. 207. (1) A health care corporation, subject to any limitation provided in this act, in any other statute of this state, or in its articles of incorporation, may do any or all of the following:

(a) Contract to provide computer services and other administrative consulting services to 1 or more providers or groups of providers, if the services are primarily designed to result in cost savings to subscribers.

(b) Engage in experimental health care projects to explore more efficient and economical means of implementing the corporation's programs, or the corporation's goals as prescribed in section 504 and the purposes of this act, to develop incentives to promote alternative methods and alternative providers, including nurse midwives, nurse anesthetists, and nurse practitioners, for delivering health care, including preventive care and home health care.

(c) For the purpose of providing health care services to employees of this state, the United States, or an agency, instrumentality, or political subdivision of this state or the United States, or for the purpose of providing all or part of the costs of health care services to disabled, aged, or needy persons, contract with this state, the United States, or an agency, instrumentality, or political subdivision of this state or the United States.

(d) For the purpose of administering any publicly supported health benefit plan, accept and administer funds, directly or indirectly, made available by a contract authorized under subdivision (c), or made available by or received from any private entity.

(e) For the purpose of administering any publicly supported health benefit plan, subcontract with any organization that has contracted with this state, the United States, or an agency, instrumentality, or political subdivision of this state or the United States, for the administration or furnishing of health services or any publicly supported health benefit plan.

(f) Provide administrative services only and cost-plus arrangements for the federal medicare program established by parts A and B of title XVIII of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. ~~1395 to 1395b, 1395b-2, 1395b-6 to 1395b-7, 1395c to 1395i, 1395i-2 to 1395i-5, 1395j to 1395t, 1395u to 1395w, and 1395w-2 to 1395w-4; , 1395w-21 to 1395w-28, 1395x to 1395yy, and 1395bbb to 1395ggg;~~ for the federal medicaid program established under title XIX of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1396, ~~1396f, 1396g-1 to 1396r-6, and 1396r-8 to 1396v;~~ for title V of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 701 to 704 and 705 to 710; for the program of medical and dental care established by the military medical benefits amendments of 1966, Public Law 85-861, 80 Stat. 862; for the Detroit maternity and infant care—preschool, school, and adolescent project; and for any other health benefit program established under state or federal law.

(g) Provide administrative services only and cost-plus arrangements for any noninsured health benefit plan, subject to the requirements of sections 211 and 211a.

(h) Establish, own, and operate a health maintenance organization, subject to the requirements of the ~~public health code, 1978 PA 368, MCL 333.1101 to 333.25211~~ **insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302**.

(i) Guarantee loans for the education of persons who are planning to enter or have entered a profession that is licensed, certified, or registered under parts 161 to 182 of the public health code, 1978 PA 368, MCL 333.16101 to 333.18237, and has been identified by the commissioner, with the consultation of the office of health and medical affairs in the department of management and budget, as a profession whose practitioners are in insufficient supply in this state or specified areas of this state and who agree, as a condition of receiving a guarantee of a loan, to work in this state, or an area of this state specified in a listing of shortage areas for the profession issued by the commissioner, for a period of time determined by the commissioner.

(j) Receive donations to assist or enable the corporation to carry out its purposes, as provided in this act.

(k) Bring an action against an officer or director of the corporation.

(l) Designate and maintain a registered office and a resident agent in that office upon whom service of process may be made.

(m) Sue and be sued in all courts and participate in actions and proceedings, judicial, administrative, arbitative, or otherwise, in the same cases as natural persons.

(n) Have a corporate seal, alter the seal, and use it by causing the seal or a facsimile to be affixed, impressed, or reproduced in any other manner.

(o) ~~Invest~~ **Subject to chapter 9 of the insurance code of 1956, 1956 PA 218, MCL 500.901 to 500.947, invest** and reinvest its funds and, for investment purposes only, purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, employ, sell, lend, lease, exchange, transfer, or otherwise dispose of, mortgage, pledge, use, and otherwise deal in and with, bonds and other obligations, shares, or other securities or interests issued by entities other than domestic, foreign, or alien insurers, as defined in sections 106 and 110 of the insurance code of 1956, 1956 PA 218, MCL 500.106 and 500.110, whether engaged in a similar or different business, or governmental or other activity, including banking corporations or trust companies. However, a health care corporation may purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, employ, sell, lend, lease, exchange, transfer, or otherwise dispose of bonds or other obligations, shares, or other securities or interests issued by a domestic, foreign, or alien insurer, so long as the activity meets all of the following:

(i) Is determined by the attorney general to be lawful under section 202.

(ii) Is approved in writing by the commissioner as being in the best interests of the health care corporation and its subscribers.

(iii) ~~Will~~ **For an activity that occurred before the effective date of the amendatory act that added subparagraph (iv), will not result in the health care corporation owning or controlling 10% or more of the voting securities of the insurer or will not otherwise result in the health care corporation having control of the insurer, either before or after the effective date of the amendatory act that added subparagraph (iv). Nothing in this subdivision shall be interpreted as expanding the lawful purposes of a health care corporation under this act. Except where expressly authorized by statute, a health care corporation shall not indirectly engage in any investment activity that it may not engage in directly. A health care corporation shall not guarantee or become surety upon a bond or other undertaking securing the deposit of public money. As used in this subparagraph and subparagraph (iv), "control" means that term as defined in section 115 of the insurance code of 1956, 1956 PA 218, MCL 500.115.**

(iv) **Subject to section 218 and beginning on the effective date of the amendatory act that added this subparagraph, will not result in the health care corporation owning or controlling part or all of the insurer unless the transaction satisfies chapter 13 of the insurance code of 1956, 1956 PA 218, MCL 500.1301 to 500.1379, and the insurer being acquired is only authorized to sell disability insurance as defined under section 606 of the insurance code of 1956, 1956 PA 218, MCL 500.606, or under a statute or regulation in the insurer's domiciliary jurisdiction that is substantially similar to section 606 of the insurance code of 1956, 1956 PA 218, MCL 500.606.**

(p) Purchase, receive, take by grant, gift, devise, bequest or otherwise, lease, or otherwise acquire, own, hold, improve, employ, use and otherwise deal in and with, real or personal property, or an interest therein, wherever situated.

(q) Sell, convey, lease, exchange, transfer or otherwise dispose of, or mortgage or pledge, or create a security interest in, any of its property, or an interest therein, wherever situated.

(r) Borrow money and issue its promissory note or bond for the repayment of the borrowed money with interest.

(s) Make donations for the public welfare, including hospital, charitable, or educational contributions that do not significantly affect rates charged to subscribers.

(t) Participate with others in any joint venture with respect to any transaction that the health care corporation would have the power to conduct by itself.

(u) Cease its activities and dissolve, subject to the commissioner's authority under section 606(2).

(v) Make contracts, transact business, carry on its operations, have offices, and exercise the powers granted by this act in any jurisdiction, to the extent necessary to carry out its purposes under this act.

(w) Have and exercise all powers necessary or convenient to effect any purpose for which the corporation was formed.

(x) Notwithstanding subdivision (o) or any other provision of this act, establish, own, and operate a domestic stock insurance company only for the purpose of acquiring, owning, and operating the state accident fund pursuant to chapter 51 of the insurance code of 1956, 1956 PA 218, MCL 500.5100 to 500.5114, so long as all of the following are met:

(i) For insurance products and services the insurer whether directly or indirectly only transacts worker's compensation insurance and employer's liability insurance, transacts disability insurance limited to replacement of loss of earnings, and acts as an administrative services organization for an approved self-insured worker's compensation plan or a disability insurance plan limited to replacement of loss of earnings and does not transact any other type of insurance notwithstanding the authorization in chapter 51 of the insurance code of 1956, 1956 PA 218, MCL 500.5100 to 500.5114. This subparagraph does not preclude the insurer from providing either directly or indirectly noninsurance products and services as otherwise provided by law.

(ii) The activity is determined by the attorney general to be lawful under section 202.

(iii) The health care corporation does not directly or indirectly subsidize the use of any provider or subscriber

information, loss data, contract, agreement, reimbursement mechanism or arrangement, computer system, or health care provider discount to the insurer.

(iv) Members of the board of directors, employees, and officers of the health care corporation are not, directly or indirectly, employed by the insurer unless the health care corporation is fairly and reasonably compensated for the services rendered to the insurer if those services were paid for by the health care corporation.

(v) Health care corporation and subscriber funds are used only for the acquisition from the state of Michigan of the assets and liabilities of the state accident fund.

(vi) Health care corporation and subscriber funds are not used to operate or subsidize in any way the insurer including the use of such funds to subsidize contracts for goods and services. This subparagraph does not prohibit joint undertakings between the health care corporation and the insurer to take advantage of economies of scale or arm's-length loans or other financial transactions between the health care corporation and the insurer.

(2) In order to ascertain the interests of senior citizens regarding the provision of medicare supplemental coverage, as described in section 202(1)(d)(v), and to ascertain the interests of senior citizens regarding the administration of the federal medicare program when acting as fiscal intermediary in this state, as described in section 202(1)(d)(vi), a health care corporation shall consult with the office of services to the aging and with senior citizens' organizations in this state.

(3) An act of a health care corporation, otherwise lawful, is not invalid because the corporation was without capacity or power to do the act. However, the lack of capacity or power may be asserted:

(a) In an action by a director or a member of the corporate body against the corporation to enjoin the doing of an act.

(b) In an action by or in the right of the corporation to procure a judgment in its favor against an incumbent or former officer or director of the corporation for loss or damage due to an unauthorized act of that officer or director.

(c) In an action or special proceeding by the attorney general to enjoin the corporation from the transacting of unauthorized business, to set aside an unauthorized transaction, or to obtain other equitable relief.

(4) A health care corporation shall not condition the sale or vary the terms or conditions of any product sold by the corporation or by a subsidiary of the corporation by requiring the purchase of any other product from the corporation or from a subsidiary of the corporation.

Sec. 211. (1) Pursuant to section 207(1)(g), a health care corporation may enter into service contracts containing an administrative services only or cost-plus arrangement. Except as otherwise provided in this section, a corporation shall not enter into a service contract containing an administrative services only or cost-plus arrangement for a noninsured benefit plan covering a group of less than 500 individuals, except that a health care corporation may continue an administrative services only or cost-plus arrangement with a group of less than 500, which arrangement is in existence in September of 1980. A corporation may enter into contracts containing an administrative services only or cost-plus arrangement for a noninsured benefit plan covering a group of less than 500 individuals if either the corporation makes arrangements for excess loss coverage or the sponsor of the plan that covers the individuals is liable for the plan's liabilities and is a sponsor of 1 or more plans covering a group of 500 or more individuals in the aggregate. The commissioner, upon obtaining the advice of the corporations subject to this act, shall establish the standards for the manner and amount of the excess loss coverage required by this subsection. It is the intent of the legislature that the excess loss coverage requirements be uniform as between corporations subject to this act and other persons authorized to provide similar services. The corporation shall offer in connection with a noninsured benefit plan a program of specific or aggregate excess loss coverage.

(2) Relative to actual administrative costs, fees for administrative services only and cost-plus arrangements shall be set in a manner that precludes cost transfers between subscribers subject to either of these arrangements and other subscribers of the health care corporation. Administrative costs for these arrangements shall be determined in accordance with the administrative costs allocation methodology and definitions filed and approved under part 6, and shall be expressed clearly and accurately in the contracts establishing the arrangements, as a percentage of costs rather than charges. This subsection shall not be construed to prohibit the inclusion, in fees charged, of contributions to ~~the contingency reserve of the corporation, consistent with section 205~~ **adequate and unimpaired surplus as provided in section 204a.**

(3) Before a health care corporation may enter into contracts containing administrative services only or cost-plus arrangements pursuant to section 207(1)(g), the board of directors of the corporation shall approve a marketing policy ~~with respect to such~~ **for these** arrangements that is consistent with ~~the provisions of~~ this section. The marketing policy may contain other provisions as the board considers necessary. The marketing policy shall be carried out by the corporation consistent with this act.

(4) A corporation providing services under a contract containing an administrative services only or cost-plus arrangement in connection with a noninsured benefit plan shall provide in its service contract a provision that the person contracting for the services in connection with a noninsured benefit plan shall notify each covered individual **of** what services are being provided; the fact that individuals are not insured or are not covered by a certificate from

the corporation, or are only partially insured or are only partially covered by a certificate from the corporation, as the case may be; which party is liable for payment of benefits; and of future changes in benefits.

(5) A service contract containing an administrative services only arrangement between a corporation and a governmental entity not subject to the employee retirement income security act of 1974, Public Law 93-406, 88 Stat. 829, whose plan provides coverage under a collective bargaining agreement utilizing a policy or certificate issued by a carrier before the signing of the service contract, is void unless the governmental entity has provided the notice described in subsection (4) to the collective bargaining agent and to the members of the collective bargaining unit not less than 30 days before signing the service contract. The voiding of a service contract under this subsection shall not relieve the governmental entity of any obligations to the corporation under the service contract.

(6) Nothing in this section shall be construed to permit an actionable interference by a corporation with the rights and obligations of the parties under a collective bargaining agreement.

(7) An individual covered under a noninsured benefit plan for which services are provided under a service contract authorized under subsection (1) ~~shall is not be~~ liable for that portion of claims incurred and subject to payment under the plan if the service contract is entered into between an employer and a corporation, unless that portion of the claim has been paid directly to the covered individual.

(8) A corporation shall report with its annual statement the amount of business it has conducted as services provided under subsection (1) that are performed in connection with a noninsured benefit plan, and the commissioner shall transmit annually this information to the state ~~commissioner of revenue~~ **treasurer**. The commissioner shall submit to the legislature on April 1, 1994, a report detailing the impact of this section on employers and covered individuals, and similar activities under other provisions of law, and in consultation with the ~~revenue commissioner~~ **state treasurer** the total financial impact on the state for the preceding legislative biennium.

(9) As used in this section, "noninsured benefit plan" or "plan" means a health benefit plan without coverage by a health care corporation, health maintenance organization, or insurer or the portion of a health benefit plan without coverage by a health care corporation, health maintenance organization, or insurer that has a specific or aggregate excess loss coverage.

Sec. 219. A nonprofit health care corporation is subject to chapter 37 of the insurance code of 1956, 1956 PA 218, MCL 500.3701 to 500.3723. To the extent that a provision of this act concerning health coverage, including, but not limited to, premiums, rates, filings, and coverages, conflicts with chapter 37 of the insurance code of 1956, 1956 PA 218, MCL 500.3701 to 500.3723, chapter 37 of the insurance code of 1956, 1956 PA 218, MCL 500.3701 to 500.3723, supersedes this act.

Sec. 401. (1) A health care corporation established, maintained, or operating in this state shall offer health care benefits to all residents of this state, and may offer other health care benefits as the corporation specifies with the approval of the commissioner.

(2) A health care corporation may limit the health care benefits that it will furnish, except as provided in this act, and may divide the health care benefits that it elects to furnish into classes or kinds.

(3) A health care corporation shall not do any of the following:

(a) Refuse to issue or continue a certificate to 1 or more residents of this state, except while the individual, based on a transaction or occurrence involving a health care corporation, is serving a sentence arising out of a charge of fraud, is satisfying a civil judgment, or is making restitution pursuant to a voluntary payment agreement between the corporation and the individual.

(b) Refuse to continue in effect a certificate with 1 or more residents of this state, other than for failure to pay amounts due for a certificate, except as allowed for refusal to issue a certificate under subdivision (a).

(c) Limit the coverage available under a certificate, without the prior approval of the commissioner, unless the limitation is as a result of: an agreement with the person paying for the coverage; an agreement with the individual designated by the persons paying for or contracting for the coverage; or a collective bargaining agreement.

(d) Rate, cancel benefits on, refuse to provide benefits for, or refuse to issue or continue a certificate solely because a subscriber or applicant is or has been a victim of domestic violence. A health care corporation shall not be held civilly liable for any cause of action that may result from compliance with this subdivision. This subdivision applies to all health care corporation certificates issued or renewed on or after June 1, 1998. As used in this subdivision, "domestic violence" means inflicting bodily injury, causing serious emotional injury or psychological trauma, or placing in fear of imminent physical harm by threat or force a person who is a spouse or former spouse of, has or has had a dating relationship with, resides or has resided with, or has a child in common with the person committing the violence.

(e) Require a member or his or her dependent or an applicant for coverage or his or her dependent to do either of the following:

(i) Undergo genetic testing before issuing, renewing, or continuing a health care corporation certificate.

(ii) Disclose whether genetic testing has been conducted or the results of genetic testing or genetic information.

(4) Subsection (3) does not prevent a health care corporation from denying to a resident of this state coverage under a certificate for any of the following grounds:

(a) That the individual was not a member of a group that had contracted for coverage under this certificate.
(b) That the individual is not a member of a group with a size greater than a minimum size established for a certificate pursuant to sound underwriting requirements.

(c) That the individual does not meet requirements for coverage contained in a certificate.

(d) For groups of under 100 subscribers and except as otherwise provided in section 3709 of the insurance code of 1956, 1956 PA 218, MCL 500.3709, that the group that the individual is a member of has failed to enroll enough of its eligible members with the health care corporation. A denial under this subdivision shall be made only if the health care corporation determines that the cost for the portion of the group applying for coverage would be at least 50% more on a per subscriber basis than the per subscriber cost for the whole group. A denial under this subdivision shall not be based on the health status of any individual in the group or his or her dependent. A denial under this subdivision shall be based on sound actuarial principles and may be based on 1 or more of the following:

(i) That the contract holder for the group applying for coverage is also offering a self-funded health benefit plan.

(ii) That the group applying for coverage is composed entirely of the contract holder's retiree business segment.

(iii) That the average individual age of the members of the group applying for coverage is either 50% higher or 10 years higher than the average individual age for the whole group.

(5) A certificate may provide for the coordination of benefits, subrogation, and the nonduplication of benefits. Savings realized by the coordination of benefits, subrogation, and nonduplication of benefits shall be reflected in the rates for those certificates. If a group certificate issued by the corporation contains a coordination of benefits provision, the benefits shall be payable pursuant to the coordination of benefits act, 1984 PA 64, MCL 550.251 to 550.255.

(6) A health care corporation shall have the right to status as a party in interest, whether by intervention or otherwise, in any judicial, quasi-judicial, or administrative agency proceeding in this state for the purpose of enforcing any rights it may have for reimbursement of payments made or advanced for health care services on behalf of 1 or more of its subscribers or members.

(7) A health care corporation shall not directly reimburse a provider in this state who has not entered into a participating contract with the corporation.

(8) A health care corporation shall not limit or deny coverage to a subscriber or limit or deny reimbursement to a provider on the ground that services were rendered while the subscriber was in a health care facility operated by this state or a political subdivision of this state. A health care corporation shall not limit or deny participation status to a health care facility on the ground that the health care facility is operated by this state or a political subdivision of this state, if the facility meets the standards set by the corporation for all other facilities of that type, government-operated or otherwise. To qualify for participation and reimbursement, a facility shall, at a minimum, meet all of the following requirements, which shall apply to all similar facilities:

(a) Be accredited by the joint commission on accreditation of hospitals.

(b) Meet the certification standards of the medicare program and the medicaid program.

(c) Meet all statutory requirements for certificate of need.

(d) Follow generally accepted accounting principles and practices.

(e) Have a community advisory board.

(f) Have a program of utilization and peer review to assure that patient care is appropriate and at an acute level.

(g) Designate that portion of the facility that is to be used for acute care.

(9) Not later than the close of business on the seventh business day after denying coverage under subsection (4)(d), the health care corporation shall notify the commissioner of this denial and shall supply the commissioner with the information used in determining the denial. The commissioner shall determine whether he or she will approve or disapprove the health care corporation denial not later than the close of business on the seventh business day after receipt of the notice and shall promptly notify the health care corporation of his or her determination. The commissioner shall base his or her determination under this subsection on whether the health care corporation met the standards in subsection (4)(d). The health care corporation or the denied contract holder may appeal the commissioner's decision in circuit court. The commissioner shall report to the senate and house of representatives standing committees on insurance issues by May 15, 2005 and biennially thereafter all of the following:

(a) The number of denials made each calendar year by a health care corporation under subsection (4)(d).

(b) The number of denials under subdivision (a) that were approved by the commissioner under this subsection and a summary of the type of group approved.

(c) The number of denials under subdivision (a) that were disapproved by the commissioner under this subsection and a summary of the type of group disapproved.

(d) The number of decisions by the commissioner under this subsection that have been appealed and the results of the appeals.

(10) ~~(9)~~ As used in this section:

(a) "Clinical purposes" includes all of the following:

(i) Predicted risk of diseases.

(ii) Identifying carriers for single-gene disorders.

(iii) Establishing prenatal and clinical diagnosis or prognosis.

(iv) Prenatal, newborn, and other carrier screening, as well as testing in high-risk families.

(v) Tests for metabolites if undertaken with high probability that an excess or deficiency of the metabolite indicates or suggests the presence of heritable mutations in single genes.

(vi) Other tests if their intended purpose is diagnosis of a presymptomatic genetic condition.

(b) "Genetic information" means information about a gene, gene product, or inherited characteristic derived from a genetic test.

(c) "Genetic test" means the analysis of human DNA, RNA, chromosomes, and those proteins and metabolites used to detect heritable or somatic disease-related genotypes or karyotypes for clinical purposes. A genetic test must be generally accepted in the scientific and medical communities as being specifically determinative for the presence, absence, or mutation of a gene or chromosome in order to qualify under this definition. Genetic test does not include a routine physical examination or a routine analysis, including, but not limited to, a chemical analysis, of body fluids, unless conducted specifically to determine the presence, absence, or mutation of a gene or chromosome.

Sec. 401j. The rates charged to nongroup and group conversion subscribers for a certificate that includes prescription drug coverage pursuant to section 401i may include rate differentials based on age, with not more than 8 separate age bands. The health care corporation shall file its rates for the prescription drug coverage in this section in the same manner and under the same requirements as provided in section 607.

Sec. 403b. A health care corporation shall not include in any bill for services or products any advertising material for any other service or product sold by a subsidiary of the corporation.

Sec. 422c. A health care corporation subsidiary may condition the granting of long-term care coverage based on answers given on an application under section 422a and pursuant to underwriting standards established by the subsidiary of the corporation.

Sec. 502. (1) A health care corporation may enter into participating contracts for reimbursement with professional health care providers practicing legally in this state for health care services or with health practitioners practicing legally in any other jurisdiction for health care services that the professional health care providers or practitioners may legally perform. A participating contract may cover all members or may be separate and individual contract on a per claim basis, as set forth in the provider class plan, if, in entering into a separate and individual contract on a per claim basis, the participating provider certifies to the health care corporation:

(a) That the provider will accept payment from the corporation as payment in full for services rendered for the specified claim for the member indicated.

(b) That the provider will accept payment from the corporation as payment in full for all cases involving the procedure specified, for the duration of the calendar year. As used in this subdivision, provider does not include a person licensed as a dentist under part 166 of the public health code, 1978 PA 368, MCL 333.16601 to 333.16648.

(c) That the provider will not determine whether to participate on a claim on the basis of the race, color, creed, marital status, sex, national origin, residence, age, disability, or lawful occupation of the member entitled to health care benefits.

(2) A contract entered into pursuant to subsection (1) shall provide that the private provider-patient relationship shall be maintained to the extent provided for by law. A health care corporation shall continue to offer a reimbursement arrangement to any class of providers with which it has contracted prior to August 27, 1985 and that continues to meet the standards set by the corporation for that class of providers.

(3) A health care corporation shall not restrict the methods of diagnosis or treatment of professional health care providers who treat members. Except as otherwise provided in section 502a, each member of the health care corporation shall at all times have a choice of professional health care providers. This subsection does not apply to limitations in benefits contained in certificates, to the reimbursement provisions of a provider contract or reimbursement arrangement, or to standards set by the corporation for all contracting providers. A health care corporation may refuse to reimburse a health care provider for health care services that are overutilized, including those services rendered, ordered, or prescribed to an extent that is greater than reasonably necessary.

(4) A health care corporation may provide to a member, upon request, a list of providers with whom the corporation contracts, for the purpose of assisting a member in obtaining a type of health care service. However, except as otherwise provided in section 502a, an employee, agent, or officer of the corporation, or an individual on the board of directors of the corporation, shall not make recommendations on behalf of the corporation with respect to the choice of a specific health care provider. Except as otherwise provided in section 502a, an employee, agent, or officer of the

corporation, or a person on the board of directors of the corporation who influences or attempts to influence a person in the choice or selection of a specific professional health care provider on behalf of the corporation, is guilty of a misdemeanor.

(5) A health care corporation shall provide a symbol of participation, which can be publicly displayed, to providers who participate on all claims for covered health care services rendered to subscribers.

(6) This section does not impede the lawful operation of, or lawful promotion of, a health maintenance organization owned by a health care corporation.

(7) Contracts entered into under this section **with professional health care providers licensed in this state** are subject to the provisions of sections 504 to 518.

(8) A health care corporation shall not deny participation to a freestanding surgical outpatient facility on the basis of ownership if the facility meets the reasonable standards set by the health care corporation for similar facilities, is licensed under part 208 of the public health code, 1978 PA 368, MCL 333.20801 to 333.20821, and complies with part 222 of the public health code, 1978 PA 368, MCL 333.22201 to 333.22260.

(9) Notwithstanding any other provision of this act, if a certificate provides for benefits for services that are within the scope of practice of optometry, a health care corporation is not required to provide benefits or reimburse for a practice of optometric service unless that service was included in the definition of practice of optometry under section 17401 of the public health code, 1978 PA 368, MCL 333.17401, as of May 20, 1992.

(10) Notwithstanding any other provision of this act, a health care corporation is not required to reimburse for services otherwise covered under a certificate if the services were performed by a member of a health care profession, which health care profession was not licensed or registered by this state on or before January 1, 1998 but that becomes a health care profession licensed or registered by this state after January 1, 1998. This subsection does not change the status of a health care profession that was licensed or registered by this state on or before January 1, 1998.

Sec. 602. (1) Not later than March 1 each year, subject to a 30-day extension ~~which that~~ may be granted by the commissioner, a health care corporation shall file in the office of the commissioner a sworn statement verified by at least 2 of the principal officers of the corporation showing its condition as of the preceding December 31. The statement shall be in a form ~~;~~ and contain those matters ~~, which that~~ the commissioner prescribes for a health care corporation, including those matters contained in section ~~205~~ **204a**. The statement shall include the number of members and the number of subscribers' certificates issued by the corporation and outstanding.

(2) The commissioner, by order, may require a health care corporation to submit statistical, financial, and other reports for the purpose of monitoring compliance with this act.

Sec. 606. (1) The commissioner shall have the same authority regarding the officers and directors of a health care corporation as the commissioner has with respect to the officers and directors of insurers under sections 249 and 250 of ~~Act No. 218 of the Public Acts of 1956, being sections 500.249 and 500.250 of the Michigan Compiled Laws~~ **the insurance code of 1956, 1956 PA 218, MCL 500.249 and 500.250**.

(2) The commissioner shall have the same authority with respect to the dissolution, taking over, or liquidation of corporations formed or doing business under this act as is provided in chapter ~~78 of Act No. 218 of the Public Acts of 1956, as amended, being sections 500.7800 to 500.7868 of the Michigan Compiled Laws~~ **81 of the insurance code of 1956, 1956 PA 218, MCL 500.8101 to 500.8159**. For purposes of this subsection, a health care corporation shall be considered to be insolvent if its liabilities exceed its assets, unless otherwise defined in chapter ~~78 of Act No. 218 of the Public Acts of 1956, as amended~~ **81 of the insurance code of 1956, 1956 PA 218, MCL 500.8101 to 500.8159**.

Sec. 609. (1) A rate is not excessive if the rate is not unreasonably high relative to the following elements, individually or collectively; provision for anticipated benefit costs; provision for administrative expense; provision for cost transfers, if any; provision for a contribution to or from ~~the corporate contingency reserve that is consistent with the attainment or maintenance of the target contingency reserve level prescribed in section 205~~ **surplus that is consistent with the attainment or maintenance of adequate and unimpaired surplus as provided in section 204a**; and provision for adjustments due to prior experience of groups, as defined in the group rating system. A determination as to whether a rate is excessive relative to ~~the these~~ **these** elements, ~~listed above~~, individually or collectively, shall be based on the following: reasonable evaluations of recent claim experience; projected trends in claim costs; the allocation of administrative expense budgets; and the present and anticipated ~~contingency reserve positions~~ **unimpaired surplus** of the health care corporation. To the extent that any of these elements are considered excessive, the provision in the rates for these elements shall be modified accordingly.

(2) The administrative expense budget must be reasonable, as determined by the commissioner after examination of material and substantial administrative and acquisition expense items.

(3) A rate is equitable if the rate can be compared to any other rate offered by the health care corporation to its subscribers, and the observed rate differences can be supported by differences in anticipated benefit costs, administrative expense cost, differences in risk, or any identified cost transfer provisions.

(4) A rate is adequate if the rate is not unreasonably low relative to the elements prescribed in subsection (1), individually or collectively, based on reasonable evaluations of recent claim experience, projected trends in claim

costs, the allocation of administrative expense budgets, and the present and anticipated ~~contingency reserve positions~~ **unimpaired surplus** of the health care corporation.

(5) Except for identified cost transfers, each line of business, over time, shall be self-sustaining. However, there may be cost transfers for the benefit of senior citizens and group conversion subscribers. Cost transfers for the benefit of senior citizens, in the aggregate, annually shall not exceed 1% of the earned subscription income of the health care corporation as reported in the most recent annual statement of the corporation. Group conversion subscribers are those who have maintained coverage with the health care corporation on an individual basis after leaving a subscriber group. ~~The Michigan caring program created in section 436 is not subject to any assessment or surcharge for cost transfer under this subsection.~~

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 460 of the 92nd Legislature is enacted into law.

Enacting section 2. Section 205 of the nonprofit health care corporation reform act, 1980 PA 350, MCL 550.1205, is repealed.

Second: That the Senate and House agree to the title of the bill to read as follows:

A bill to amend 1980 PA 350, entitled "An act to provide for the incorporation of nonprofit health care corporations; to provide their rights, powers, and immunities; to prescribe the powers and duties of certain state officers relative to the exercise of those rights, powers, and immunities; to prescribe certain conditions for the transaction of business by those corporations in this state; to define the relationship of health care providers to nonprofit health care corporations and to specify their rights, powers, and immunities with respect thereto; to provide for a Michigan caring program; to provide for the regulation and supervision of nonprofit health care corporations by the commissioner of insurance; to prescribe powers and duties of certain other state officers with respect to the regulation and supervision of nonprofit health care corporations; to provide for the imposition of a regulatory fee; to regulate the merger or consolidation of certain corporations; to prescribe an expeditious and effective procedure for the maintenance and conduct of certain administrative appeals relative to provider class plans; to provide for certain administrative hearings relative to rates for health care benefits; to provide for certain causes of action; to prescribe penalties and to provide civil fines for violations of this act; and to repeal certain acts and parts of acts," by amending sections 204, 206, 207, 211, 401, 502, 602, 606, and 609 (MCL 550.1204, 550.1206, 550.1207, 550.1211, 550.1401, 550.1502, 550.1602, 550.1606, and 550.1609), section 207 as amended by 1999 PA 210, section 211 as amended by 1993 PA 127, section 401 as amended by 2000 PA 26, section 502 as amended by 1998 PA 446, and section 609 as amended by 1991 PA 61, and by adding sections 204a, 205a, 219, 401j, 403b, and 422c; and to repeal acts and parts of acts.

Beverly S. Hammerstrom
Bruce Patterson
Robert L. Emerson
Conferees for the Senate

Rick Johnson
Dianne Byrum
Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Rep. Richardville moved pursuant to Joint Rule 9, that the Journal printing requirement be suspended, printed copies of the text having been made available to each Member.

The motion prevailed.

The question being on the adoption of the conference report,

The conference report was then adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 335

Yeas—78

Accavitti	Gielegthem	Moolenaar	Sheltrown
Anderson	Gillard	Mortimer	Shulman
Bieda	Gleason	Murphy	Smith
Bisbee	Hardman	Nitz	Spade
Brandenburg	Hood	Nofs	Stallworth
Brown	Hopgood	O’Neil	Steil
Byrum	Hune	Paletko	Stewart
Casperson	Hunter	Palsrok	Tabor
Caswell	Jamnick	Pastor	Taub

Cheeks	Johnson, Rick	Phillips	Tobocman
Clack	Julian	Plakas	Vagnozzi
Condino	Kolb	Reeves	Ward
Daniels	Kooiman	Richardville	Waters
Dennis	LaJoy	Rivet	Wenke
DeRossett	Law	Robertson	Whitmer
Elkins	Lipsey	Rocca	Williams
Emmons	McConico	Sak	Wojno
Farhat	Meisner	Shackleton	Woodward
Farrah	Meyer	Shaffer	Zelenko
Gaffney	Minore		

Nays—30

Acciavatti	Hager	Middaugh	Stahl
Amos	Hart	Milosch	Stakoe
Bradstreet	Hoogendyk	Newell	Van Regenmorter
Caul	Howell	Palmer	Vander Veen
DeRoche	Huizenga	Pappageorge	Voorhees
Drolet	Hummel	Pumford	Walker
Ehardt	Johnson, Ruth	Sheen	Woronchak
Garfield	LaSata		

In The Chair: Julian

Rep. Middaugh, having reserved the right to explain her nay vote, made the following statement:

“Mr. Speaker and members of the House:

I voted against this bill because I believe that this version will drive competition out of Michigan and will increase the price of health insurance dramatically.”

Reps. Sheen and Hoogendyk, having reserved the right to explain their nay vote, made the following statement:

“Mr. Speaker and members of the House:

The so-called Small Group Market Health Reform Bills SB 460 & SB 234, do not benefit Michigan residents, they do not save citizens one dime nor do they create any new benefits. These bills will hurt competition and HMOs, and will cause many, if not all the commercial insurers, to leave the state. In all seven states where similar legislation has been enacted it has failed. Four of the seven states have reversed, or are in process of reversing, the kind of small market reform legislation we have just passed. Why do we want to send Michigan’s health care system down a similar path, which has a 100% rate of failure, when Blue Cross Blue Shield (BCBS) could have been helped by some very simple tweaks, instead of the draconian overall we have just voted into law?

This is bad legislation that could have been worse, if not for the wise and relentless efforts of House Health Policy Chair Steve Ehardt. In the end, Chairman Ehardt, could not support this legislation, because it basically gave the BCBS everything they asked for. The Legislation passed today was the best that BCBS could buy, because it benefits BCBS, and only BCBS, and hurts everyone else. BCBS will be able to buy any for-profit health related insurance companies it wants, using the tax-exempt insurance reserves accumulated over 63 years as seed money. This will put these reserves, which under gird the entire BCBS health plan at risk to out of state insurance commissioners, not mention the open market. BCBS is a quasi-governmental non-profit insurance association they are not a private company. Passage of this legislation gives them the best of both worlds; they can operate as a for profit company, but retain their non-profit tax-exempt status and avoid anti-trust and predatory laws. This coupled with their unmatched market share will allow them to wipeout all competition. Enactment of this legislation puts BCBS on the road to becoming Michigan’s Single Payer Health Insurer, Michigan’s own mini-version of the Clinton Health Care Plan.

I could not in good conscience vote to subject the citizens of Michigan to the huge increases in health care premiums, loss of coverage, loss of optional choices, and swelling of the uninsured pool, that will surely follow enactment of this legislation.”

Senate Bill No. 460, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 3406q (MCL 500.3406q), as added by 2002 PA 538, and by adding chapter 37.

The Senate has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

First Conference Report

The Committee of Conference on the matters of difference between the two Houses concerning

Senate Bill No. 460, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 3406q (MCL 500.3406q), as added by 2002 PA 538, and by adding chapter 37.

Recommends:

First: That the Senate and House agree to the Substitute of the House as passed by the House, amended to read as follows:

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 3406q (MCL 500.3406q), as added by 2002 PA 538, and by adding chapter 37.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 3406q. (1) An expense-incurred hospital, medical, or surgical policy or certificate delivered, issued for delivery, or renewed in this state that provides pharmaceutical coverage and a health maintenance organization contract **that provides pharmaceutical coverage** shall provide coverage for an off-label use of a federal food and drug administration approved drug and the reasonable cost of supplies medically necessary to administer the drug.

(2) Coverage for a drug under subsection (1) applies if all of the following conditions are met:

(a) The drug is approved by the federal food and drug administration.

(b) The drug is prescribed by an allopathic or osteopathic physician for the treatment of either of the following:

(i) A life-threatening condition so long as the drug is medically necessary to treat that condition and the drug is on the plan formulary or accessible through the health plan's formulary procedures.

(ii) A chronic and seriously debilitating condition so long as the drug is medically necessary to treat that condition and the drug is on the plan formulary or accessible through the health plan's formulary procedures.

(c) The drug has been recognized for treatment for the condition for which it is prescribed by 1 of the following:

(i) The American medical association drug evaluations.

(ii) The American hospital formulary service drug information.

(iii) The United States pharmacopoeia dispensing information, volume 1, "drug information for the health care professional".

(iv) Two articles from major peer-reviewed medical journals that present data supporting the proposed off-label use or uses as generally safe and effective unless there is clear and convincing contradictory evidence presented in a major peer-reviewed medical journal.

(3) Upon request, the prescribing allopathic or osteopathic physician shall supply to the insurer or health maintenance organization documentation supporting compliance with subsection (2).

(4) This section does not prohibit the use of a copayment, deductible, sanction, or a mechanism for appropriately controlling the utilization of a drug that is prescribed for a use different from the use for which the drug has been approved by the food and drug administration. This may include prior approval or a drug utilization review program. Any copayment, deductible, sanction, prior approval, drug utilization review program, or mechanism described in this subsection shall not be more restrictive than for prescription coverage generally.

(5) As used in this section:

(a) "Chronic and seriously debilitating" means a disease or condition that requires ongoing treatment to maintain remission or prevent deterioration and that causes significant long-term morbidity.

(b) "Life-threatening" means a disease or condition where the likelihood of death is high unless the course of the disease is interrupted or that has a potentially fatal outcome where the end point of clinical intervention is survival.

(c) "Off-label" means the use of a drug for clinical indications other than those stated in the labeling approved by the federal food and drug administration.

CHAPTER 37
SMALL EMPLOYER GROUP HEALTH COVERAGE

Sec. 3701. As used in this chapter:

(a) "Actuarial certification" means a written statement by a member of the American academy of actuaries or another individual acceptable to the commissioner that a small employer carrier is in compliance with the provisions of section 3705, based upon the person's examination, including a review of the appropriate records and the actuarial assumptions and methods used by the carrier in establishing premiums for applicable health benefit plans.

(b) "Affiliation period" means a period of time required by a small employer carrier that must expire before health coverage becomes effective.

(c) "Base premium" means the lowest premium charged for a rating period under a rating system by a small employer carrier to small employers for a health benefit plan in a geographic area.

(d) "Carrier" means a person that provides health benefits, coverage, or insurance in this state. For the purposes of this chapter, carrier includes a health insurance company authorized to do business in this state, a nonprofit health care corporation, a health maintenance organization, a multiple employer welfare arrangement, or any other person providing a plan of health benefits, coverage, or insurance subject to state insurance regulation.

(e) "COBRA" means the consolidated omnibus budget reconciliation act of 1985, Public Law 99-272, 100 Stat. 82.

(f) "Commercial carrier" means a small employer carrier other than a nonprofit health care corporation or health maintenance organization.

(g) "Creditable coverage" means, with respect to an individual, health benefits, coverage, or insurance provided under any of the following:

(i) A group health plan.

(ii) A health benefit plan.

(iii) Part A or part B of title XVIII of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1395c to 1395i and 1395i-2 to 1395i-5, and 42 U.S.C. 1395j to 1395t, 1395u to 1395w, and 1395w-2 to 1395w-4.

(iv) Title XIX of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396r-6 and 1396r-8 to 1396v, other than coverage consisting solely of benefits under section 1929 of title XIX of the social security act, 42 U.S.C. 1396t.

(v) Chapter 55 of title 10 of the United States Code, 10 U.S.C. 1071 to 1110. For purposes of chapter 55 of title 10 of the United States Code, 10 U.S.C. 1071 to 1110, "uniformed services" means the armed forces and the commissioned corps of the national oceanic and atmospheric administration and of the public health service.

(vi) A medical care program of the Indian health service or of a tribal organization.

(vii) A state health benefits risk pool.

(viii) A health plan offered under the employees health benefits program, chapter 89 of title 5 of the United States Code, 5 U.S.C. 8901 to 8914.

(ix) A public health plan, which for purposes of this chapter means a plan established or maintained by a state, county, or other political subdivision of a state that provides health insurance coverage to individuals enrolled in the plan.

(x) A health benefit plan under section 5(e) of title I of the peace corps act, Public Law 87-293, 22 U.S.C. 2504.

(h) "Eligible employee" means an employee who works on a full-time basis with a normal workweek of 30 or more hours. Eligible employee includes an employee who works on a full-time basis with a normal workweek of 17.5 to 30 hours, if an employer so chooses and if this eligibility criterion is applied uniformly among all of the employer's employees and without regard to health status-related factors.

(i) "Geographic area" means an area in this state that includes not less than 1 entire county, established by a carrier pursuant to section 3705 and used for adjusting premiums for a health benefit plan subject to this chapter. In addition, if the geographic area includes 1 entire county and additional counties or portions of counties, the counties or portions of counties must be contiguous with at least 1 other county or portion of another county in that geographic area.

(j) "Group health plan" means an employee welfare benefit plan as defined in section 3(1) of subtitle A of title I of the employee retirement income security act of 1974, Public Law 93-406, 29 U.S.C. 1002, to the extent that the plan provides medical care, including items and services paid for as medical care to employees or their dependents as defined under the terms of the plan directly or through insurance, reimbursement, or otherwise. As used in this chapter, all of the following apply to the term group health plan:

(i) Any plan, fund, or program that would not be, but for section 2721(e) of subpart 4 of part A of title XXVII of the public health service act, chapter 373, 110 Stat. 1967, 42 U.S.C. 300gg-21, an employee welfare benefit

plan and that is established or maintained by a partnership, to the extent that the plan, fund, or program provides medical care, including items and services paid for as medical care, to present or former partners in the partnership, or to their dependents, as defined under the terms of the plan, fund, or program, directly or through insurance, reimbursement or otherwise, shall be treated, subject to subparagraph (ii), as an employee welfare benefit plan that is a group health plan.

(ii) The term “employer” also includes the partnership in relation to any partner.

(iii) The term “participant” also includes an individual who is, or may become, eligible to receive a benefit under the plan, or the individual’s beneficiary who is, or may become, eligible to receive a benefit under the plan. For a group health plan maintained by a partnership, the individual is a partner in relation to the partnership and for a group health plan maintained by a self-employed individual, under which 1 or more employees are participants, the individual is the self-employed individual.

(k) “Health benefit plan” or “plan” means an expense-incurred hospital, medical, or surgical policy or certificate, nonprofit health care corporation certificate, or health maintenance organization contract. Health benefit plan does not include accident-only, credit, dental, or disability income insurance; long-term care insurance; coverage issued as a supplement to liability insurance; coverage only for a specified disease or illness; worker’s compensation or similar insurance; or automobile medical-payment insurance.

(l) “Index rate” means the arithmetic average during a rating period of the base premium and the highest premium charged per employee for each health benefit plan offered by each small employer carrier to small employers and sole proprietors in a geographic area.

(m) “Nonprofit health care corporation” means a nonprofit health care corporation operating pursuant to the nonprofit health care corporation reform act, 1980 PA 350, MCL 550.1101 to 550.1704.

(n) “Premium” means all money paid by a small employer, a sole proprietor, eligible employees, or eligible persons as a condition of receiving coverage from a small employer carrier, including any fees or other contributions associated with the health benefit plan.

(o) “Rating period” means the calendar period for which premiums established by a small employer carrier are assumed to be in effect, as determined by the small employer carrier.

(p) “Small employer” means any person, firm, corporation, partnership, limited liability company, or association actively engaged in business who, on at least 50% of its working days during the preceding and current calendar years, employed at least 2 but not more than 50 eligible employees. In determining the number of eligible employees, companies that are affiliated companies or that are eligible to file a combined tax return for state taxation purposes shall be considered 1 employer.

(q) “Small employer carrier” means either of the following:

(i) A carrier that offers health benefit plans covering the employees of a small employer.

(ii) A carrier under section 3703(3).

(r) “Sole proprietor” means an individual who is a sole proprietor or sole shareholder in a trade or business through which he or she earns at least 50% of his or her taxable income as defined in section 30 of the income tax act of 1967, 1967 PA 281, MCL 206.30, excluding investment income, and for which he or she has filed the appropriate internal revenue service form 1040, schedule C or F, for the previous taxable year; who is a resident of this state; and who is actively employed in the operation of the business, working at least 30 hours per week in at least 40 weeks out of the calendar year.

(s) “Waiting period” means, with respect to a health benefit plan and an individual who is a potential enrollee in the plan, the period that must pass with respect to the individual before the individual is eligible to be covered for benefits under the terms of the plan. For purposes of calculating periods of creditable coverage under this chapter, a waiting period shall not be considered a gap in coverage.

Sec. 3703. (1) This chapter applies to any health benefit plan that provides coverage to 2 or more employees of a small employer.

(2) This chapter does not apply to individual health insurance policies that are subject to policy form and premium approval by the commissioner.

(3) A nonprofit health care corporation shall make available upon request a health benefit plan to a sole proprietor. This chapter does apply to a nonprofit health care corporation providing a health benefit plan to a sole proprietor and to any other small employer carrier that elects to provide a health benefit plan to a sole proprietor.

Sec. 3705. (1) For adjusting premiums for health benefit plans subject to this chapter, a carrier may establish up to 10 geographic areas in this state. A nonprofit health care corporation shall establish geographic areas that cover all counties in this state.

(2) Premiums for a health benefit plan under this chapter are subject to the following:

(a) For a nonprofit health care corporation, only industry and age may be used for determining the premiums within a geographic area for a small employer or sole proprietor located in that geographic area. For a health maintenance organization, only industry, age, and group size may be used for determining the premiums within a geographic area for a small employer or sole proprietor located in that geographic area. For a commercial carrier, only industry, age, group size, and health status may be used for determining the premiums within a geographic area for a small employer or sole proprietor located in that geographic area.

(b) The premiums charged during a rating period by a nonprofit health care corporation or a health maintenance organization for a health benefit plan in a geographic area to small employers or sole proprietors located in that geographic area shall not vary from the index rate for that health benefit plan by more than 35% of the index rate. However, for a health benefit plan issued before the effective date of this chapter by a nonprofit health care corporation or health maintenance organization, the premiums for the plan are subject to the following:

(i) For a renewal occurring on or after the effective date of this chapter and through December 31, 2004, the premiums charged for a health benefit plan in a geographic area to small employers or sole proprietors located in that geographic area shall not be higher than 15% above the index rate or lower than 35% below the index rate.

(ii) For a renewal occurring on or after January 1, 2005, the premiums charged for a health benefit plan in a geographic area to small employers or sole proprietors located in that geographic area shall not vary from the index rate for that health benefit plan by more than 35% of the index rate.

(c) The premiums charged during a rating period by a commercial carrier for a health benefit plan in a geographic area to small employers or sole proprietors located in that geographic area shall not vary from the index rate for that health benefit plan by more than 45% of the index rate. However, for a health benefit plan issued before the effective date of this chapter by a commercial carrier, the premiums for the plan are subject to the following:

(i) For a renewal occurring on or after the effective date of this chapter and through December 31, 2004, the premiums charged for a health benefit plan in a geographic area to small employers or sole proprietors located in that geographic area shall not vary from the index rate for that health benefit plan by more than 70% of the index rate.

(ii) For a renewal occurring on or after January 1, 2005 and through December 31, 2005, the premiums charged for a health benefit plan in a geographic area to small employers or sole proprietors located in that geographic area shall not vary from the index rate for that health benefit plan by more than 55% of the index rate.

(iii) For a renewal occurring on or after January 1, 2006, the premiums charged for a health benefit plan in a geographic area to small employers or sole proprietors located in that geographic area shall not vary from the index rate for that health benefit plan by more than 45% of the index rate.

(d) For a sole proprietor, a small employer carrier may charge an additional premium of up to 25% above the premiums in subdivision (b) or (c).

(e) Except as otherwise provided in this section, the percentage increase in the premiums charged to a small employer or sole proprietor in a geographic area for a new rating period shall not exceed the sum of the annual percentage adjustment in the geographic area's index rate for the health benefit plan and an adjustment pursuant to subdivision (a). The adjustment pursuant to subdivision (a) shall not exceed 15% annually and shall be adjusted pro rata for rating periods of less than 1 year. This subdivision does not prohibit an adjustment due to change in coverage.

(3) Beginning 1 year after the effective date of this chapter, if a small employer had been covered by a self-insured health benefit plan immediately preceding application for a health benefit plan subject to this chapter, a carrier may charge an additional premium of up to 33% above the premium in subsection (2)(b) or (c) for no more than 2 years.

(4) Health benefit plan options, number of family members covered, and medicare eligibility may be used in establishing a small employer's or sole proprietor's premium.

(5) A small employer carrier shall apply all rating factors consistently with respect to all small employers and sole proprietors in a geographic area. Except as provided in subsection (4), a small employer carrier shall bill a small employer group only with a composite rate and shall not bill so that 1 or more employees in a small employer group are charged a higher premium than another employee in that small employer group.

Sec. 3706. (1) A small employer carrier may apply an open enrollment period for sole proprietors. If a small employer carrier applies an open enrollment period for sole proprietors, the open enrollment period shall be offered at least annually and shall be at least 1 month long.

(2) A small employer carrier is not required to offer or provide to a sole proprietor all health benefit plans available to small employers who are not sole proprietors. However, a small employer carrier is required to offer to all sole proprietors all health benefit plans in a geographic area that are available to any sole proprietor in that geographic area.

(3) A small employer carrier may exclude or limit coverage for a sole proprietor for a condition only if the exclusion or limitation relates to a condition for which medical advice, diagnosis, care, or treatment was recommended or received within 6 months before enrollment and the exclusion or limitation does not extend for more than 6 months after the effective date of the health benefit plan.

(4) A small employer carrier shall not impose a preexisting condition exclusion for a sole proprietor that relates to pregnancy as a preexisting condition or with regard to a child who is covered under any creditable coverage within 30 days of birth, adoption, or placement for adoption, provided that the child does not experience a significant break in coverage and provided that the child was adopted or placed for adoption before attaining 18 years of age. A period of creditable coverage under this subsection shall not be counted for enrollment of an individual under a health benefit plan if, after this period and before the enrollment date, there was a 63-day period during all of which the individual was not covered under any creditable coverage.

Sec. 3707. (1) As a condition of transacting business in this state with small employers, every small employer carrier shall make available to small employers all health benefit plans it markets to small employers in this state. A small employer carrier shall be considered to be marketing a health benefit plan if it offers that plan to a small employer not currently receiving a health benefit plan from that small employer carrier. A small employer carrier shall issue any health benefit plan to any small employer that applies for the plan and agrees to make the required premium payments and to satisfy the other reasonable provisions of the health benefit plan not inconsistent with this chapter.

(2) Except as otherwise provided in this subsection, a small employer carrier shall not offer or sell to small employers a health benefit plan that contains a waiting period applicable to new enrollees or late enrollees. However, a small employer carrier may offer or sell to small employers other than sole proprietors a health benefit plan that provides for an affiliation period of time that must expire before coverage becomes effective for a new enrollee or a late enrollee if all of the following are met:

(a) The affiliation period is applied uniformly to all new and late enrollees and dependents of the new and late enrollees of the small employer and without regard to any health status-related factor.

(b) The affiliation period does not exceed 60 days for new enrollees and does not exceed 90 days for late enrollees.

(c) The small employer carrier does not charge any premiums for the enrollee during the affiliation period.

(d) The coverage issued is not effective for the enrollee during the affiliation period.

Sec. 3708. (1) A health benefit plan offered to a small employer by a small employer carrier shall provide for the acceptance of late enrollees subject to this chapter.

(2) A small employer carrier shall permit an employee or a dependent of the employee, who is eligible, but not enrolled, to enroll for coverage under the terms of the small employer health benefit plan during a special enrollment period if all of the following apply:

(a) The employee or dependent was covered under a group health plan or had coverage under a health benefit plan at the time coverage was previously offered to the employee or dependent.

(b) The employee stated in writing at the time coverage was previously offered that coverage under a group health plan or other health benefit plan was the reason for declining enrollment, but only if the small employer or carrier, if applicable, required such a statement at the time coverage was previously offered and provided notice to the employee of the requirement and the consequences of the requirement at that time.

(c) The employee's or dependent's coverage described in subdivision (a) was either under a COBRA continuation provision and that coverage has been exhausted or was not under a COBRA continuation provision and that other coverage has been terminated as a result of loss of eligibility for coverage, including because of a legal separation, divorce, death, termination of employment, or reduction in the number of hours of employment or employer contributions toward that other coverage have been terminated. In either case, under the terms of the health benefit plan, the employee must request enrollment not later than 30 days after the date of exhaustion of coverage or termination of coverage or employer contribution. If an employee requests enrollment pursuant to this subdivision, the enrollment is effective not later than the first day of the first calendar month beginning after the date the completed request for enrollment is received.

(3) A small employer carrier that makes dependent coverage available under a health benefit plan shall provide for a dependent special enrollment period during which the person may be enrolled under the health benefit plan as a dependent of the individual or, if not otherwise enrolled, the individual may be enrolled under

the health benefit plan. For a birth or adoption of a child, the spouse of the individual may be enrolled as a dependent of the individual if the spouse is otherwise eligible for coverage. This subsection applies only if both of the following occur:

(a) The individual is a participant under the health benefit plan or has met any affiliation period applicable to becoming a participant under the plan and is eligible to be enrolled under the plan, but for a failure to enroll during a previous enrollment period.

(b) The person becomes a dependent of the individual through marriage, birth, or adoption or placement for adoption.

(4) The dependent special enrollment period under subsection (3) for individuals shall be a period of not less than 30 days and begins on the later of the date dependent coverage is made available or the date of the marriage, birth, or adoption or placement for adoption. If an individual seeks to enroll a dependent during the first 30 days of the dependent special enrollment period under subsection (3), the coverage of the dependent shall be effective as follows:

(a) For marriage, not later than the first day of the first month beginning after the date the completed request for enrollment is received.

(b) For a dependent's birth, as of the date of birth.

(c) For a dependent's adoption or placement for adoption, the date of the adoption or placement for adoption.

Sec. 3709. (1) Except as provided in this section, requirements used by a small employer carrier in determining whether to provide coverage to a small employer shall be applied uniformly among all small employers applying for coverage or receiving coverage from the small employer carrier. If a small employer carrier waives a minimum participation rule for a small employer, the carrier cannot later enforce that minimum participation rule for that small employer.

(2) A small employer carrier may deny coverage to a small employer if the small employer fails to enroll enough of its employees to meet the minimum participation rules established by the carrier pursuant to sound underwriting requirements. A minimum participation rule may require a small employer to enroll a certain number or percentage of employees with the small employer carrier as a condition of coverage. A minimum participation rule is subject to the following:

(a) For a small employer of 10 or fewer eligible employees, may require enrollment of up to 100% of the small employer's employees seeking health care coverage through the small employer.

(b) For a small employer of 11 to 25 eligible employees, may require enrollment of up to 75% of the small employer's employees seeking health care coverage through the small employer.

(c) For a small employer of 26 to 50 eligible employees, may require enrollment of up to 50% of the small employer's employees seeking health care coverage through the small employer.

Sec. 3711. (1) Except as provided in this section, a small employer carrier that offers health coverage in the small employer group market in connection with a health benefit plan shall renew or continue in force that plan at the option of the small employer or sole proprietor.

(2) Guaranteed renewal under subsection (1) is not required in cases of: fraud or intentional misrepresentation of the small employer or, for coverage of an insured individual, fraud or misrepresentation by the insured individual or the individual's representative; lack of payment; noncompliance with minimum participation requirements; if the small employer carrier no longer offers that particular type of coverage in the market; or if the sole proprietor or small employer moves outside the geographic area.

Sec. 3712. (1) If a small employer carrier decides to discontinue offering all small employer health benefit plans in a geographic area, all of the following apply:

(a) The small employer carrier shall provide notice to the commissioner and to each small employer covered by the small employer carrier in the geographic area of the discontinuation at least 180 days prior to the date of the discontinuation of the coverage.

(b) All small employer health benefit plans issued or delivered for issuance in the geographic area are discontinued and all current health benefit plans in the geographic area are not renewed.

(c) The small employer carrier shall not issue or deliver for issuance any small employer health benefit plans in the geographic area for 5 years beginning on the date the last small employer health benefit plan in the geographic area is not renewed under subdivision (b).

(d) The small employer carrier shall not issue or deliver for issuance for 5 years any small employer health benefit plans in an area that was not a geographic area where the small employer carrier was issuing or delivering for issuance small employer health benefit plans on the date notice was given under subdivision (a). The 5-year period under this subdivision begins on the date notice was given under subdivision (a).

(2) A nonprofit health care corporation shall not cease to renew all health benefit plans in a geographic area.

Sec. 3713. Each small employer carrier shall provide all of the following to a small employer upon request and upon entering into a contract with the small employer:

(a) The extent to which premiums for a specific small employer are established or adjusted due to any permitted characteristic and rating factors of the small employer's employees and the employees' dependents.

(b) The provisions concerning the carrier's right to change premiums, permitted characteristics, and any rating factors under this chapter that affect changes in premiums.

(c) The provisions relating to renewability of coverage.

Sec. 3715. (1) Each small employer carrier shall maintain at its principal place of business a complete and detailed description of its rating practices and renewal underwriting practices, including information and documentation that demonstrate that its rating methods and practices are based upon commonly accepted actuarial assumptions and are in accordance with sound actuarial principles.

(2) Each small employer carrier shall file each March 1 with the commissioner an actuarial certification, that the carrier is in compliance with this section and that the rating methods of the carrier are actuarially sound. A copy of the actuarial certification shall be retained by the carrier at its principal place of business.

(3) A small employer carrier shall make the information and documentation described in subsection (1) available to the commissioner upon request.

(4) This section is in addition to, and not in substitution of, the applicable filing provisions in this act and in the nonprofit health care corporation reform act, 1980 PA 350, MCL 550.1101 to 550.1704.

Sec. 3716. This chapter does not apply to a health benefit plan sponsored by a small employer that is an Archer medical savings account that meets all requirements of section 220 of the internal revenue code of 1986.

Sec. 3717. (1) Upon a request for suspension by the small employer carrier and a finding by the commissioner after consulting with the attorney general that the suspension is reasonable in light of the financial condition of the carrier and that the suspension would enhance the efficiency and fairness of the marketplace for small employer health insurance, the commissioner may suspend all or any part of section 3705 as to the premiums applicable to 1 or more small employers for 1 or more rating periods and may suspend section 3712(1)(c) or (d).

(2) A commercial carrier whose capital and surplus as concerns policyholders as of December 31, 2003 as shown on the annual financial statement filed with the commissioner is \$18,000,000.00 or less may be exempt from this chapter, if the commercial carrier had policyholders residing in Michigan before June 1, 2003, the commercial carrier files with the commissioner a written request for an exemption, and the commissioner, after reviewing the commercial carrier's request and annual financial statement, determines an exemption is warranted.

(3) An exemption granted under subsection (2) is effective for 3 years, so long as the commercial carrier experiences no disproportionate growth in premium volume in business written, or changes in the commercial carrier's pattern, location, or contours of that insurance business that indicate that the commercial carrier is utilizing its exemption to take unfair competitive advantage of competing small employer carriers who do not qualify for the exemption. A commercial carrier that meets the requirements of subsections (2) to (5) may reapply every 3 years to the commissioner for a subsection (2) exemption. The commissioner shall continue an exemption granted under subsection (2) if the commissioner finds the commercial carrier meets the criteria in subsections (2) to (5) for the exemption.

(4) The commissioner shall not grant an exemption under subsection (2) to any carrier that directly, or indirectly through 1 or more intermediaries, controls, is controlled by, or is under common control with a carrier whose surplus as concerns policyholders is in excess of the amount stated in subsection (2).

(5) A carrier admitted to do business in this state after June 1, 2003 is not eligible for an exemption under subsection (2).

Sec. 3718. A nonprofit health care corporation is subject to section 619 of the nonprofit health care corporation reform act, 1980 PA 350, MCL 550.1619.

Sec. 3721. (1) By May 15, 2007 and by each May 15 after 2007, the commissioner shall make a determination as to whether a reasonable degree of competition in the small employer carrier health market exists on a statewide basis. In making this determination, the commissioner shall hold a public hearing in 2007 and may hold a public hearing thereafter, shall seek advice and input from appropriate independent sources, and shall issue a report delineating specific classifications and kinds or types of insurance, if any, where competition does not exist and any suggested statutory or other changes necessary to increase or encourage competition. The report shall be based on relevant economic tests, including, but not limited to, those in subsection (3). Report findings shall not be based on any single measure of competition, but appropriate weight shall be given to all measures of competition.

(2) If the results of the report issued under subsection (1) are disputed or if the commissioner determines that circumstances that the report was based on have changed, the commissioner shall issue a supplemental report to the report under subsection (1) that includes a certification of whether or not a reasonable degree of competition exists in the small employer carrier health market. The supplemental report and certification shall be issued not later than December 15 immediately following the release of the report under subsection (1) that this report supplements and shall be supported by substantial evidence.

(3) All of the following shall be considered by the commissioner for purposes of subsections (1) and (2):

(a) The extent to which any carrier controls all or a portion of the small employer carrier health benefit plan market.

(b) Whether the total number of carriers writing small employer health benefit plan coverage in this state is sufficient to provide multiple options to small employers.

(c) The disparity among small employer health benefit plan rates and classifications to the extent that those classifications result in rate differentials.

(d) The availability of small employer health benefit plan coverage to small employers in all geographic areas and all types of business.

(e) The overall rate level that is not excessive, inadequate, or unfairly discriminatory.

(f) Any other factors the commissioner considers relevant.

(4) The reports and certifications required under subsections (1) and (2) shall be forwarded to the governor, the clerk of the house, the secretary of the senate, and all the members of the senate and house of representatives standing committees on insurance and health issues.

Sec. 3723. The provisions of this chapter apply to each health benefit plan for a small employer or sole proprietor that is delivered, issued for delivery, renewed, or continued in this state on or after the effective date of this chapter. For purposes of this section, the date a health benefit plan is continued is the first rating period that begins on or after the effective date of this chapter.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 234 of the 92nd Legislature is enacted into law.

Enacting section 2. This amendatory act takes effect 6 months after the date this amendatory act is enacted.

Second: That the Senate and House agree to the title of the bill to read as follows:

A bill to amend 1956 PA 218, entitled "An act to revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker's compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an

appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act,” by amending section 340q (MCL 500.3406q), as added by 2002 PA 538, and by adding chapter 37.

Beverly S. Hammerstrom
Bruce Patterson
Robert L. Emerson
Conferees for the Senate

Rick Johnson
Dianne Byrum
Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Rep. Richardville moved pursuant to Joint Rule 9, that the Journal printing requirement be suspended, printed copies of the text having been made available to each Member.

The motion prevailed.

The question being on the adoption of the conference report,

The conference report was then adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 336

Yeas—81

Accavitti	Gaffney	Minore	Sheltrown
Adamini	Gielegem	Moolenaar	Shulman
Amos	Gillard	Mortimer	Smith
Anderson	Gleason	Murphy	Spade
Bieda	Hardman	Nitz	Stallworth
Bisbee	Hood	Nofs	Steil
Brandenburg	Hopgood	O’Neil	Stewart
Brown	Hune	Paletko	Tabor
Byrum	Hunter	Palsrok	Taub
Casperson	Jamnick	Pastor	Tobocman
Caswell	Johnson, Rick	Phillips	Vagnozzi
Cheeks	Julian	Plakas	Walker
Clack	Kolb	Reeves	Ward
Condino	Kooiman	Richardville	Waters
Daniels	LaJoy	Rivet	Wenke
Dennis	Law	Robertson	Whitmer
DeRossett	Lipsey	Rocca	Williams
Elkins	McConico	Sak	Wojno
Emmons	Meisner	Shackleton	Woodward
Farhat	Meyer	Shaffer	Zelenko
Farrah			

Nays—27

Acciavatti	Hart	Middaugh	Stahl
Caul	Hoogendyk	Milosch	Stakoe
DeRoche	Howell	Newell	Van Regenmorter
Drolet	Huizenga	Palmer	Vander Veen
Ehardt	Hummel	Pappageorge	Voorhees
Garfield	Johnson, Ruth	Pumford	Woronchak
Hager	LaSata	Sheen	

Rep. Middaugh, having reserved the right to explain her nay vote, made the following statement:

“Mr. Speaker and members of the House:

I voted against this bill because I believe that this version will drive competition out of Michigan and will increase the price of health insurance dramatically.”

Rep. Sheen, having reserved the right to explain his nay vote, made the following statement:

“Mr. Speaker and members of the House:

The so-called Small Group Market Health Reform Bills SB 460 & SB 234, do not benefit Michigan residents, they do not save citizens one dime nor do they create any new benefits. These bills will hurt competition and HMOs, and will cause many, if not all the commercial insurers, to leave the state. In all seven states where similar legislation has been enacted it has failed. Four of the seven states have reversed, or are in process of reversing, the kind of small market reform legislation we have just passed. Why do we want to send Michigan’s health care system down a similar path, which has a 100% rate of failure, when Blue Cross Blue Shield (BCBS) could have been helped by some very simple tweaks, instead of the draconian overall we have just voted into law? This is bad legislation that could have been worse, if not for the wise and relentless efforts of House Health Policy Chair Steve Ehardt. In the end, Chairman Ehardt, could not support this legislation, because it basically gave the BCBS everything they asked for. The Legislation passed today was the best that BCBS could buy, because it benefits BCBS, and only BCBS, and hurts everyone else. BCBS will be able to buy any for-profit health related insurance companies it wants, using the tax-exempt insurance reserves accumulated over 63 years as seed money. This will put these reserves, which under gird the entire BCBS health plan at risk to out of state insurance commissioners, not mention the open market. BCBS is a quasi-governmental non-profit insurance association they are not a private company. Passage of this legislation gives them the best of both worlds; they can operate as a for profit company, but retain their non-profit tax-exempt status and avoid anti-trust and predatory laws. This coupled with their unmatched market share will allow them to wipeout all competition. Enactment of this legislation puts BCBS on the road to becoming Michigan’s Single Payer Health Insurer, Michigan’s own mini-version of the Clinton Health Care Plan. I could not in good conscience vote to subject the citizens of Michigan to the huge increases in health care premiums, loss of coverage, loss of optional choices, and swelling of the uninsured pool, that will surely follow enactment of this legislation.”

By unanimous consent the House returned to the order of

Motions and Resolutions

Rep. Hune offered the following resolution:

House Resolution No. 94.

A resolution declaring Neil Woodward as Michigan’s Troubadour.

Whereas, Neil Woodward has dedicated five decades to the study and preservation of Michigan’s folk music and culture. As a folklorist, he has shared Michigan’s musical heritage through his performances and teaching. Whether presenting musical programs in Michigan history to K-12 and university students or dedicating the Michigan Historical Center and Library of Michigan in 1985, his work makes a unique and worthwhile contribution to the quality of life for Michigan citizens; and

Whereas, Neil Woodward promotes an appreciation of Michigan’s musical heritage to Michigianians and visitors from around the world through his two decades as the Village Troubadour at Historical Crossroads Village and Huckleberry Railroad, and as a featured performer at Greenfield Village since childhood. Acting as a goodwill ambassador, Neil Woodward’s performances enable visitors to Michigan to view the culture and history of our great state through the eyes of its songs; and

Whereas, Neil Woodward’s recordings of traditional and original Michigan folk music Crossroads Serenade, In the Year of the Dog, A Cup of Kindness, Old Timers and Peace Troubles are catalogued by the Library of Congress Office of Folklife, the Library of Michigan and the Archives of the State of Michigan preserving the musical heritage of Michigan loggers, miners and sailors from the 1800s and the autoworkers of today; and

Whereas, Neil Woodward’s musical virtuosity and songwriting make a significant contribution to Michigan’s culture and are therefore acknowledged by Michigan’s premier cultural institutions, garnering him numerous awards. ArtServe Michigan awarded Neil Woodward the Creative Artist grant in 1993, recognizing his continuing contribution to the troubadour tradition. Since its inception, the Michigan Humanities Council’s Great Outdoors Culture tour has selected Neil Woodward to bring Michigan’s history alive for visitors to northern Michigan campgrounds and historical sites, resulting in these efforts being highlighted in the journals of the National Endowment for the Humanities and National Trust for Historic Preservation; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body honor Neil Woodward’s contribution to Michigan’s musical heritage and declare him to be Michigan’s Troubadour.

Pending the reference of the resolution to a committee,
Rep. Richardville moved that Rule 77 be suspended and the resolution be considered at this time.
The motion prevailed, 3/5 of the members present voting therefor.
The question being on the adoption of the resolution,
The resolution was adopted.

Announcement by the Clerk of Printing and Enrollment

The Clerk announced that the following bills had been printed and placed upon the files of the members on Friday, June 20:

Senate Bill Nos. 593 594 595

The Clerk announced that the following bills had been printed and placed upon the files of the members on Wednesday, June 25:

**House Bill Nos. 4873 4874 4875 4876 4877 4878 4879 4880 4881 4882 4883 4884 4885 4886
4887**

The Clerk announced that the following Senate bills had been received on Wednesday, June 25:

Senate Bill Nos. 535 536

By unanimous consent the House returned to the order of

Messages from the Senate

House Bill No. 4818, entitled

A bill to amend 1927 PA 372, entitled "An act to regulate and license the selling, purchasing, possessing, and carrying of certain firearms and gas ejecting devices; to prohibit the buying, selling, or carrying of certain firearms and gas ejecting devices without a license or other authorization; to provide for the forfeiture of firearms under certain circumstances; to provide for penalties and remedies; to provide immunity from civil liability under certain circumstances; to prescribe the powers and duties of certain state and local agencies; to prohibit certain conduct against individuals who apply for or receive a license to carry a concealed pistol; to make appropriations; to prescribe certain conditions for the appropriations; and to repeal all acts and parts of acts inconsistent with this act," by amending section 5b (MCL 28.425b), as amended by 2002 PA 719.

The Senate has passed the bill and ordered that it be given immediate effect.

The bill was referred to the Clerk for enrollment printing and presentation to the Governor.

House Bill No. 4280, entitled

A bill to amend 1980 PA 350, entitled "The nonprofit health care corporation reform act," (MCL 550.1101 to 550.1704) by adding sections 420a, 422a, and 422b.

The Senate has substituted (S-1) the bill.

The Senate has passed the bill as substituted (S-1), ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The Speaker announced that pursuant to Rule 45, the bill was laid over one day.

House Bill No. 4281, entitled

A bill to amend 1980 PA 350, entitled "The nonprofit health care corporation reform act," (MCL 550.1101 to 550.1704) by adding section 401i.

The Senate has substituted (S-1) the bill.

The Senate has passed the bill as substituted (S-1), ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The Speaker announced that pursuant to Rule 45, the bill was laid over one day.

House Bill No. 4657, entitled

A bill to amend 1984 PA 44, entitled "Motor fuels quality act," by amending section 4 (MCL 290.644), as amended by 1986 PA 127.

The Senate has amended the bill as follows:

1. Amend page 2, following line 27, by inserting:

"Enacting section 1. This amendatory act takes effect October 1, 2003."

The Senate has passed the bill as amended, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The Speaker announced that pursuant to Rule 45, the bill was laid over one day.

Senate Bill No. 238, entitled

A bill to amend 1980 PA 350, entitled "The nonprofit health care corporation reform act," by amending section 501 (MCL 550.1501).

The Senate has substituted (S-1) the House substitute (H-1).

The Senate has concurred in the House substitute (H-1) as substituted (S-1), ordered that the bill be given immediate effect and agreed to the full title.

The Speaker announced that pursuant to Rule 45, the bill was laid over one day.

Senate Bill No. 535, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 80115 (MCL 324.80115), as added by 1995 PA 58, and by adding section 80124b.

The Senate has passed the bill.

The bill was read a first time by its title and referred to the Committee on Great Lakes and Tourism.

Senate Bill No. 536, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding section 80124a.

The Senate has passed the bill.

The bill was read a first time by its title and referred to the Committee on Great Lakes and Tourism.

Senate Concurrent Resolution No. 25.

A concurrent resolution calling for increased public awareness of the Department of Environmental Quality's toll-free number for reporting pollution emergencies.

Whereas, Public vigilance and civic involvement are cornerstones of effective communities. The willingness of individual citizens to work with those who provide public services can be the key to the effectiveness of many endeavors, including several aspects of law enforcement; and

Whereas, The Department of Environmental Quality operates a hot line under its "Pollution Emergency Alert System." This number offers concerned citizens a quick way to provide information that could be lifesaving or which could save the environment from serious damage. This number can be used by a person to report to authorities any environmental emergency, whether accidental or intentional; and

Whereas, Over the years, there have certainly been many situations, including spills of toxic substances, that could have been contained far more effectively if the proper party had been informed immediately. The potential significance of this emergency contact system only increases at a time when government resources are strained by difficult financial pressures; and

Whereas, Increasing the visibility of the Pollution Emergency Alert System number would be a wise move. Many of the steps to raise awareness, including web site displays, can be made at negligible cost; and

Whereas, Encouraging the public's help in the effort to uncover and prevent pollution can only help our state; now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That we urge the Department of Environmental Quality to increase public awareness of its toll-free number for reporting pollution emergencies. We also urge the Departments of Agriculture, Natural Resources, Community Health, and the Attorney General to include this number prominently on their web sites; and be it further

Resolved, That copies of this resolution be transmitted to the Departments of Environmental Quality, Agriculture, Natural Resources, Community Health, and Attorney General.

The Senate has adopted the concurrent resolution.

Reps. Acciavatti, Byrum, DeRossett, Ehardt, Garfield, Gielegem, Gillard, Gleason, Huizenga, Jamnick, Kooiman, LaJoy, Minore, Sak, Sheltroun, Stewart, Taub, Tobocman, Vander Veen, Wojno, Woodward, Zelenko, Accavitti,

Brandenburg, Farhat, LaSata, Meyer, O'Neil, Richardville, Spade, Stallworth and Vagnozzi were named co-sponsors of the concurrent resolution.

The concurrent resolution was referred to the Committee on Land Use and Environment.

By unanimous consent the House returned to the order of
Reports of Standing Committees

The Committee on Criminal Justice, by Rep. Van Regenmorter, Chair, reported

House Bill No. 4632, entitled

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending section 394 (MCL 750.394).

With the recommendation that the substitute (H-1) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills and laid over one day.

Favorable Roll Call

To Report Out:

Yeas: Reps. Van Regenmorter, Stakoe, LaSata, Gaffney, Meisner, Condino and Hood

Nays: None

The Committee on Criminal Justice, by Rep. Van Regenmorter, Chair, reported

House Bill No. 4633, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 16s of chapter XVII (MCL 777.16s), as amended by 2000 PA 279.

With the recommendation that the substitute (H-1) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills and laid over one day.

Favorable Roll Call

To Report Out:

Yeas: Reps. Van Regenmorter, Stakoe, LaSata, Gaffney, Condino and Hood

Nays: None

The Committee on Criminal Justice, by Rep. Van Regenmorter, Chair, reported

House Bill No. 4855, entitled

A bill to amend 1945 PA 246, entitled "An act to authorize township boards to adopt ordinances and regulations to secure the public health, safety and general welfare; to provide for the establishment of a township police department; to provide for policing of townships by certain law enforcement officers and agencies; to provide for the publication of ordinances; to prescribe powers and duties of township boards and certain local and state officers and agencies; to provide sanctions; and to repeal all acts and parts of acts in conflict with the act," by amending section 3 (MCL 41.183), as amended by 1999 PA 59.

Without amendment and with the recommendation that the bill pass.

The bill was referred to the order of Second Reading of Bills and laid over one day.

Favorable Roll Call

To Report Out:

Yeas: Reps. Van Regenmorter, Stakoe, LaSata, Gaffney, Nofs, Meisner, Condino and Hood

Nays: None

The Committee on Criminal Justice, by Rep. Van Regenmorter, Chair, reported

House Bill No. 4856, entitled

A bill to amend 1947 PA 359, entitled "The charter township act," by amending section 21 (MCL 42.21), as amended by 1999 PA 58.

Without amendment and with the recommendation that the bill pass.

The bill was referred to the order of Second Reading of Bills and laid over one day.

Favorable Roll Call

To Report Out:

Yeas: Reps. Van Regenmorter, Stakoe, LaSata, Gaffney, Nofs, Meisner, Condino and Hood

Nays: None

The Committee on Criminal Justice, by Rep. Van Regenmorter, Chair, reported

House Bill No. 4857, entitled

A bill to amend 1909 PA 279, entitled "The home rule city act," by amending sections 3 and 4i (MCL 117.3 and 117.4i), section 3 as amended by 2002 PA 201 and section 4i as amended by 1999 PA 55.

Without amendment and with the recommendation that the bill pass.

The bill was referred to the order of Second Reading of Bills and laid over one day.

Favorable Roll Call

To Report Out:

Yeas: Reps. Van Regenmorter, Stakoe, LaSata, Gaffney, Nofs, Meisner, Condino and Hood

Nays: None

The Committee on Criminal Justice, by Rep. Van Regenmorter, Chair, reported

House Bill No. 4858, entitled

A bill to amend 1895 PA 3, entitled "The general law village act," by amending section 2 (MCL 66.2), as amended by 1999 PA 57.

Without amendment and with the recommendation that the bill pass.

The bill was referred to the order of Second Reading of Bills and laid over one day.

Favorable Roll Call

To Report Out:

Yeas: Reps. Van Regenmorter, Stakoe, LaSata, Gaffney, Nofs, Meisner, Condino and Hood

Nays: None

The Committee on Criminal Justice, by Rep. Van Regenmorter, Chair, reported

House Bill No. 4859, entitled

A bill to amend 1909 PA 278, entitled "The home rule village act," by amending sections 23 and 24 (MCL 78.23 and 78.24), section 23 as amended by 1999 PA 258 and section 24 as amended by 1999 PA 56.

Without amendment and with the recommendation that the bill pass.

The bill was referred to the order of Second Reading of Bills and laid over one day.

Favorable Roll Call

To Report Out:

Yeas: Reps. Van Regenmorter, Stakoe, LaSata, Gaffney, Nofs, Meisner, Condino and Hood

Nays: None

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Van Regenmorter, Chair of the Committee on Criminal Justice, was received and read:

Meeting held on: Wednesday, June 25, 2003, at 10:30 a.m.

Present: Reps. Van Regenmorter, Stakoe, LaSata, Gaffney, Nofs, Meisner, Condino and Hood

Absent: Rep. Howell

Excused: Rep. Howell

The Committee on Education, by Rep. Palmer, Chair, reported

House Bill No. 4716, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," by amending sections 1526 and 1531 (MCL 380.1526 and 380.1531), section 1526 as amended by 1995 PA 289 and section 1531 as amended by 2000 PA 497.

With the recommendation that the substitute (H-2) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills and laid over one day.

Favorable Roll Call

To Report Out:

Yeas: Reps. Palmer, Hummel, Meyer, Bradstreet, Hager, Hart, Ruth Johnson, Voorhees, Vander Veen, Nofs and Stahl

Nays: Reps. Gielegem, Vagnozzi, Spade, Smith, Hopgood, Meisner and Clack

The Committee on Education, by Rep. Palmer, Chair, reported

Senate Bill No. 393, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," by amending the title and sections 5, 501, 502, 503, 504, 504a, 506, and 507 (MCL 380.5, 380.501, 380.502, 380.503, 380.504, 380.504a, 380.506, and 380.507), the title and sections 501, 502, 503, 504a, and 507 as amended by 1995 PA 289, section 5 as amended by 1999 PA 23, section 504 as amended by 1994 PA 416, and section 506 as added by 1993 PA 362, and by adding sections 503b and 1320 and part 6c.

Without amendment and with the recommendation that the bill pass.

The bill was referred to the order of Second Reading of Bills and laid over one day.

Favorable Roll Call

To Report Out:

Yeas: Reps. Palmer, Hummel, Meyer, Bradstreet, Hart, Ruth Johnson, Tabor, Voorhees, Vander Veen, Nofs and Stahl

Nays: Reps. Hager, Gielegem, Vagnozzi, Spade, Smith, Hopgood, Meisner and Clack

The Committee on Education, by Rep. Palmer, Chair, reported

House Resolution No. 55.

A resolution to memorialize the Congress of the United States to restore proposed cuts to the 21st Century Community Learning Centers program for after-school programs.

(For text of resolution, see House Journal No. 37, p. 528.)

With the recommendation that the resolution be adopted.

The Speaker announced that under Rule 77 the resolution would lie over one day.

Favorable Roll Call

To Report Out:

Yeas: Reps. Palmer, Hummel, Meyer, Hager, Hart, Ruth Johnson, Voorhees, Vander Veen, Stahl, Gielegem, Vagnozzi, Spade, Smith, Hopgood and Clack

Nays: None

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Palmer, Chair of the Committee on Education, was received and read:

Meeting held on: Wednesday, June 25, 2003, at 10:30 a.m.

Present: Reps. Palmer, Hummel, Meyer, Bradstreet, Hager, Hart, Ruth Johnson, Tabor, Voorhees, Vander Veen, Nofs, Stahl, Gielegem, Vagnozzi, Spade, Smith, Hopgood, Meisner and Clack

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Drolet, Chair of the Committee on Government Operations, was received and read:

Meeting held on: Tuesday, June 24, 2003, at 4:30 p.m.

Present: Reps. Drolet, Howell, Palsrok, Tobocman and Lipsey

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Wenke, Chair of the Committee on Tax Policy, was received and read:

Meeting held on: Wednesday, June 25, 2003, at 9:00 a.m.

Present: Reps. Wenke, Sheen, Woronchak, Meyer, Drolet, Hummel, Palmer, Milosch, Nofs, Stakoe, Farrah, Bieda and Zelenko

Absent: Reps. Koetje, O'Neil, Minore and Condino

Excused: Reps. Koetje, O'Neil, Minore and Condino

Notices

I hereby give notice that on the next legislative session day I will move to discharge the Committee on Appropriations from further consideration of **Senate Bill No. 575**.

Rep. Richardville

Introduction of Bills

Reps. Amos, Kolb, Meisner, Lipsey, Minore, Tobocman, Brown, Adamini, Gillard, Zelenko, Williams, Jamnick, Dennis, Tabor, Ward, Woodward, Paletko, Woronchak, Bieda, Gleason, Condino, Elkins, Farrah, Hopgood, Gielegem, O'Neil, Phillips, Accavitti, Wojno, Cheeks, Reeves, Clack, Whitmer, Byrum, Hardman and Stakoe introduced

House Bill No. 4888, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," (MCL 500.100 to 500.8302) by adding section 3406l. The bill was read a first time by its title and referred to the Committee on Health Policy.

Reps. Kolb, Amos, Meisner, Lipsey, Minore, Tobocman, Brown, Adamini, Gillard, Zelenko, Williams, Jamnick, Dennis, Tabor, Ward, Woodward, Paletko, Woronchak, Bieda, Gleason, Condino, Farrah, Hopgood, Gielegem, O'Neil, Reeves, Clack, Accavitti, Wojno, Cheeks, Whitmer, Byrum, Elkins, Hardman and Daniels introduced

House Bill No. 4889, entitled

A bill to amend 1980 PA 350, entitled "The nonprofit health care corporation reform act," (MCL 550.1101 to 550.1704) by adding section 416d.

The bill was read a first time by its title and referred to the Committee on Health Policy.

Reps. Brandenburg, Woronchak, Drolet, Acciavatti, Milosch, Garfield, Hummel, Palmer, Voorhees, Emmons, Huizenga, Bisbee, Moolenaar, LaJoy, Pastor, Walker, Amos, DeRoche, Hoogendyk, Hune, Rocca, Hart, Shackleton, Meyer, Steil, Sheen, Palsrok, Gaffney, Mortimer, Casperson, Farhat, Nofs, Stakoe, Nitz, Vander Veen, Kooiman, Stahl, Wenke, Ward, Shaffer, Robertson, Howell, Ruth Johnson, Daniels, Hager, Shulman, Pumford, Stewart, Richardville, Caul, Plakas, Pappageorge, DeRossett, Newell, Middaugh and Julian introduced

House Bill No. 4890, entitled

A bill to amend 1966 PA 134, entitled "An act to impose a tax upon written instruments which transfer any interest in real property; to provide for the administration of this act; and to provide penalties for violations of this act," by amending section 5 (MCL 207.505).

The bill was read a first time by its title and referred to the Committee on Tax Policy.

Reps. Brandenburg, Woronchak, Drolet, Acciavatti, Milosch, Garfield, Hummel, Palmer, Voorhees, Emmons, Huizenga, Bisbee, Moolenaar, Taub, LaJoy, Walker, Pastor, Amos, DeRoche, Hoogendyk, Hune, Rocca, Shackleton, Meyer, Steil, Sheen, Palsrok, Gaffney, Mortimer, Casperson, Farhat, Nofs, Stakoe, Nitz, Vander Veen, Kooiman, Stahl, Wenke, Ward, Shaffer, Robertson, Howell, Ruth Johnson, Daniels, Hager, Shulman, Pumford, Hart, Stewart, Richardville, Caul, Plakas, Pappageorge, DeRossett, Newell, Middaugh and Julian introduced

House Bill No. 4891, entitled

A bill to amend 1993 PA 330, entitled "State real estate transfer tax act," by amending section 6 (MCL 207.526), as amended by 2000 PA 203.

The bill was read a first time by its title and referred to the Committee on Tax Policy.

Reps. Stewart and Anderson introduced

House Bill No. 4892, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 811e (MCL 257.811e), as amended by 2001 PA 124, and by adding section 811o.

The bill was read a first time by its title and referred to the Committee on Transportation.

Reps. Accavitti, Wojno, Gielegem, Vagnozzi, Ward, Lipsey, Jamnick, Hood, Dennis, Law, Whitmer, Tobocman, Cheeks, Gillard, Condino, Hunter, McConico, Meisner, Gaffney and Gleason introduced

House Bill No. 4893, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," (MCL 500.100 to 500.8302) by adding section 3406r.

The bill was read a first time by its title and referred to the Committee on Insurance.

Reps. Accavitti, Wojno, Gielegem, Vagnozzi, Ward, Lipsey, Jamnick, Hood, Dennis, Law, Whitmer, Tobocman, Cheeks, Gillard, Condino, Hunter, McConico, Meisner, Gaffney and Gleason introduced

House Bill No. 4894, entitled

A bill to amend 1980 PA 350, entitled "The nonprofit health care corporation reform act," (MCL 550.1101 to 550.1704) by adding section 416d.

The bill was read a first time by its title and referred to the Committee on Insurance.

Reps. Byrum, DeRossett, Casperson, Hummel, Gaffney, Huizenga, DeRoche, Robertson, Ward, Stakoe, Hune, Murphy, Jamnick, Elkins, Bieda, Gleason, Lipsey, Anderson, Tobocman and Condino introduced

House Bill No. 4895, entitled

A bill to amend 2001 PA 142, entitled "Michigan memorial highway act," (MCL 250.1001 to 250.1100) by adding section 67.

The bill was read a first time by its title and referred to the Committee on Transportation.

Reps. Richardville and Byrum introduced

House Bill No. 4896, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 40107a (MCL 324.40107a), as added by 1998 PA 470.

The bill was read a first time by its title and referred to the Committee on Conservation and Outdoor Recreation.

Rep. Meyer moved that the House adjourn.

The motion prevailed, the time being 7:40 p.m.

The Speaker Pro Tempore declared the House adjourned until Thursday, June 26, at 10:00 a.m.

GARY L. RANDALL
Clerk of the House of Representatives

