

**No. 85**  
**STATE OF MICHIGAN**  
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**REGULAR SESSION OF 2014**

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Senate Chamber, Lansing, Friday, December 19, 2014.

12:15 a.m.

The Senate was called to order by the Assistant President pro tempore, Senator Geoffrey M. Hansen.

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

Ananich—present  
Anderson—present  
Bieda—present  
Booher—present  
Brandenburg—present  
Casperson—present  
Caswell—present  
Colbeck—present  
Emmons—present  
Green—present  
Gregory—present  
Hansen—present  
Hildenbrand—present

Hood—present  
Hopgood—present  
Hune—present  
Hunter—present  
Jansen—present  
Johnson—present  
Jones—present  
Kahn—present  
Kowall—present  
Marleau—present  
Meekhof—present  
Moolenaar—present  
Nofs—present

Pappageorge—present  
Pavlov—present  
Proos—present  
Richardville—present  
Robertson—present  
Rocca—present  
Schuitmaker—present  
Smith—present  
Walker—present  
Warren—present  
Whitmer—present  
Young—present

Chaplain Dave Fisher of the Great Lakes Loons of Midland offered the following invocation:

Thank You, God, Creator of the heavens and the earth, for letting me be here to pray for these great men and women of the Michigan Senate. I pray for Your blessings on them, on their staffs, and everyone present here tonight. Lord, I pray for protection for their families and loved ones who have sacrificed so much so that they could serve You and the residents of Michigan.

Servant leadership is one of the greatest qualities of an exceptional leader. In John 13, Jesus performed the ultimate act of servant leadership as he wrapped a towel around his waist and washed his disciples' feet. The servant leader is a servant first before he is a leader. Lord, we pray that You will bless these servants for their tireless work and that You will keep them healthy, strong, and alert. We thank them for their dedication for staying tonight.

I pray, Lord, that You will continue to bless our Senate with wisdom, knowledge, and understanding in the many tasks they have before them; that they will do their jobs as they lead us tonight in passing or rejecting laws that will affect the residents of Michigan for years to come.

I pray that with Your strength, Lord, they will obediently follow Your call as they work so diligently here tonight; that they may carry out their duties with confidence, without hesitation, so that they can give us a better Michigan for tomorrow. I pray that they will finish strong here in the early morning hours.

In Jesus' name, we pray. Amen.

The Assistant President pro tempore, Senator Hansen, led the members of the Senate in recital of the *Pledge of Allegiance*.

### Motions and Communications

Senator Moolenaar entered the Senate Chamber.

Senator Meekhof moved that Senator Jansen be temporarily excused from today's session.  
The motion prevailed.

Senator Hopgood moved that Senator Johnson be temporarily excused from today's session.  
The motion prevailed.

The Secretary announced that the following House joint resolution was received in the Senate and filed on Friday, December 19:

#### **House Joint Resolution UU**

The Secretary announced the enrollment printing and presentation to the Governor on Thursday, December 18, for his approval the following bills:

**Enrolled Senate Bill No. 1056 at 12:34 p.m.**

**Enrolled Senate Bill No. 903 at 12:36 p.m.**

**Enrolled Senate Bill No. 845 at 12:38 p.m.**

**Enrolled Senate Bill No. 528 at 12:40 p.m.**

**Enrolled Senate Bill No. 940 at 12:42 p.m.**

**Enrolled Senate Bill No. 964 at 5:00 p.m.**

**Enrolled Senate Bill No. 965 at 5:02 p.m.**

**Enrolled Senate Bill No. 966 at 5:04 p.m.**

**Enrolled Senate Bill No. 979 at 5:06 p.m.**

Senator Jansen entered the Senate Chamber.

By unanimous consent the Senate proceeded to the order of

#### **General Orders**

Senator Meekhof moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the Assistant President pro tempore, Senator Hansen, designated Senator Hildenbrand as Chairperson.

After some time spent therein, the Committee arose; and the Assistant President pro tempore, Senator Hansen, having resumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bills:

**House Bill No. 5341, entitled**

A bill to amend 1939 PA 280, entitled "The social welfare act," by amending section 64 (MCL 400.64), as amended by 1985 PA 140.

**House Bill No. 5418, entitled**

A bill to authorize private employers to adopt and apply a veterans' preference employment policy.  
The bills were placed on the order of Third Reading of Bills.

By unanimous consent the Senate returned to the order of

**Third Reading of Bills**

Senator Meekhof moved that the rules be suspended and that the following bills, now on the order of Third Reading of Bills, be placed on their immediate passage:

**House Bill No. 5341**

**House Bill No. 5418**

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

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

**House Bill No. 5198**

**House Bill No. 5341**

**House Bill No. 5418**

The motion prevailed.

Senator Johnson entered the Senate Chamber.

The following bill was read a third time:

**House Bill No. 5198, entitled**

A bill to amend 1975 PA 238, entitled "Child protection law," by amending section 7 (MCL 722.627), as amended by 2014 PA 30.

The question being on the passage of the bill,  
Senator Emmons offered the following substitute:  
Substitute (S-2).

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

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 911**

**Yeas—38**

Ananich	Gregory	Kahn	Richardville
Anderson	Hansen	Kowall	Robertson
Bieda	Hildenbrand	Marleau	Rocca
Booher	Hood	Meekhof	Schuitmaker
Brandenburg	Hopgood	Moolenaar	Smith
Casperson	Hune	Nofs	Walker
Caswell	Hunter	Pappageorge	Warren
Colbeck	Jansen	Pavlov	Whitmer
Emmons	Johnson	Proos	Young
Green	Jones		

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Hansen

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was not concurred in, 2/3 of the members serving not voting therefor.

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

“An act to require the reporting of child abuse and neglect by certain persons; to permit the reporting of child abuse and neglect by all persons; to provide for the protection of children who are abused or neglected; to authorize limited detainment in protective custody; to authorize medical examinations; to prescribe the powers and duties of the state department of social services to prevent child abuse and neglect; to prescribe certain powers and duties of local law enforcement agencies; to safeguard and enhance the welfare of children and preserve family life; to provide for the appointment of legal counsel; to provide for the abrogation of privileged communications; to provide civil and criminal immunity for certain persons; to provide rules of evidence in certain cases; to provide for confidentiality of records; to provide for the expungement of certain records; to prescribe penalties; and to repeal certain acts and parts of acts.”.

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 5341, entitled**

A bill to amend 1939 PA 280, entitled “The social welfare act,” by amending section 64 (MCL 400.64), as amended by 1985 PA 140.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 912**

**Yeas—38**

Ananich	Gregory	Kahn	Richardville
Anderson	Hansen	Kowall	Robertson
Bieda	Hildenbrand	Marleau	Rocca
Booher	Hood	Meekhof	Schuitmaker
Brandenburg	Hopgood	Moolenaar	Smith
Casperson	Hune	Nofs	Walker
Caswell	Hunter	Pappageorge	Warren
Colbeck	Jansen	Pavlov	Whitmer
Emmons	Johnson	Pros	Young
Green	Jones		

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Hansen

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

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; to provide general assistance, hospitalization, infirmity and medical care to poor or unfortunate persons; to provide for compliance by this state with the social security act; to

provide protection, welfare and services to aged persons, dependent children, the blind, and the permanently and totally disabled; to administer programs and services for the prevention and treatment of delinquency, dependency and neglect of children; to create a state department of social services; to prescribe the powers and duties of the department; to provide for the interstate and intercounty transfer of dependents; to create county and district departments of social services; to create within certain county departments, bureaus of social aid and certain divisions and offices thereunder; to prescribe the powers and duties of the departments, bureaus and officers; to provide for appeals in certain cases; to prescribe the powers and duties of the state department with respect to county and district departments; to prescribe certain duties of certain other state departments, officers, and agencies; to make an appropriation; to prescribe penalties for the violation of the provisions of this act; and to repeal certain parts of this act on specific dates.”.

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 5418, entitled**

A bill to authorize private employers to adopt and apply a veterans’ preference employment policy.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 913**

**Yeas—38**

Ananich	Gregory	Kahn	Richardville
Anderson	Hansen	Kowall	Robertson
Bieda	Hildenbrand	Marleau	Rocca
Booher	Hood	Meekhof	Schuitmaker
Brandenburg	Hopgood	Moolenaar	Smith
Casperson	Hune	Nofs	Walker
Caswell	Hunter	Pappageorge	Warren
Colbeck	Jansen	Pavlov	Whitmer
Emmons	Johnson	Proos	Young
Green	Jones		

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Hansen

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor. The Senate agreed to the title of the bill.

By unanimous consent the Senate proceeded to the order of

**Resolutions**

Senator Meekhof moved that consideration of the following resolution be postponed for today:

**Senate Resolution No. 34**

The motion prevailed.

The question was placed on the adoption of the following resolution consent calendar:

**Senate Resolution No. 213**

The resolution consent calendar was adopted.

Senator Richardville offered the following resolution:

**Senate Resolution No. 213.**

A resolution honoring John Varvatos.

Whereas, John Varvatos is a Michigan-born, world-famous contemporary menswear designer, who plans to open a store in Downtown Detroit in the spring of 2015. His goal is to bring national and international fashion people and designers into Detroit; and

Whereas, John Varvatos, born in Detroit and raised in Allen Park, graduated from the Fashion Institute of Technology at Allen Park High School. After high school, Varvatos would go on to attend Eastern Michigan University and the University of Michigan. It was his roots in Michigan and spending time in the melting pot of Detroit that influenced his groundbreaking menswear designs which have earned him multiple accolades; and

Whereas, Varvatos had a passion for clothes from an early age. He began working at clothing stores before he could get a driver's license and would continue to work in the fashion industry and men's clothing stores throughout college. After graduation, he opened his own store in Grand Rapids called Fitzgeralds, which is still open today; and

Whereas, In 1983, Varvatos took a job with Ralph Lauren as a regional sales manager and would eventually rise to head of sales. Following his career at Ralph Lauren, he joined Calvin Klein as head of design for the men's clothing division, where he is credited with creating boxer briefs, which have been called one of the greatest apparel revolutions of the century. Varvatos would later return to Ralph Lauren as head of design, where he started the Polo Jeans label; and

Whereas, He started his own company in 1999 and opened his first freestanding store in 2000 in the SoHo neighborhood of New York City in the former CBGB music club. He now has 17 stores in three different countries; and

Whereas, Varvatos has been presented with numerous honors, including multiple Designer of the Year awards from the Council of Fashion Designers of America, Gentleman's Quarterly Designer of the Year award, and having a special edition of the Chrysler 300C named in his honor. He was also named to the cast of the hit television show "Fashion Star" as a celebrity mentor; and

Whereas, Varvatos is a music aficionado, influenced by Motown, blues, jazz, rock and funk, all of which were popular while he was growing up in Michigan. His passion for music has carried over into a philanthropic mission with the VH1 Save the Music Foundation, which seeks to restore and sustain instrumental music programs in schools across the county. To date, they have helped fund and restore 1,400 programs in 80 communities; now, therefore, be it

Resolved by the Senate, That we offer this expression of our highest tribute to honor John Varvatos for his achievements on and off the runway and as a token of our appreciation for representing the state of Michigan proudly; and be it further

Resolved, That a copy of this resolution be transmitted to John Varvatos as evidence of our highest esteem.

By unanimous consent the Senate returned to the order of

**Messages from the House**

**Senate Bill No. 596, entitled**

A bill to create the human trafficking health advisory board act; to provide for an interdepartmental human trafficking health advisory board; to prescribe the membership of the human trafficking health advisory board; and to prescribe the duties and responsibilities of the human trafficking health advisory board.

The House of Representatives has concurred in the Senate amendments to the House substitute (H-2).

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

**Senate Bill No. 947, entitled**

A bill to amend 1980 PA 299, entitled "Occupational code," by amending sections 901, 910, and 917 (MCL 339.901, 339.910, and 339.917), section 901 as amended by 1981 PA 83 and sections 910 and 917 as amended by 1996 PA 151.

The House of Representatives has amended the bill as follows:

1. Amend page 8, line 12, by striking out all of enacting section 1.

The House of Representatives has passed the bill as amended, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Meekhof moved that the rule be suspended.

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

The question being on concurring in the amendment made to the bill by the House,

The amendment was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 914****Yeas—26**

Booher	Hansen	Marleau	Proos
Brandenburg	Hildenbrand	Meekhof	Richardville
Casperson	Hune	Moolenaar	Robertson
Caswell	Jansen	Nofs	Rocca
Colbeck	Jones	Pappageorge	Schuitmaker
Emmons	Kahn	Pavlov	Walker
Green	Kowall		

**Nays—12**

Ananich	Gregory	Hunter	Warren
Anderson	Hood	Johnson	Whitmer
Bieda	Hopgood	Smith	Young

**Excused—0****Not Voting—0**

In The Chair: Hansen

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor.

The Senate agreed to the full title.

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

**Protest**

Senator Anderson, under his constitutional right of protest (Art. 4, Sec. 18), protested against the concurring in the House amendment for Senate Bill No. 947 and moved that the statement he made during the discussion of the bill be printed as his reasons for voting “no.”

The motion prevailed.

Senator Anderson’s statement is as follows:

I rise in opposition to concurring in Senate Bill No. 947. I realize time is late, and many times the strategy is to get bad legislation passed by doing it late, after we’re all tired and anxious to get out of session. I wanted to share with everyone some history about this bill.

Why do we have this bill before us? It’s because an out-of-state company named PAR North America was discovered to be running a repossession business in Michigan and denied they were a collection agency. They were not licensed, and an auction company that’s Michigan-based challenged this. He was persistent and was granted a hearing in front of the Supreme Court. The out-of-state company PAR originally tried in the original version of the bill to head off the Supreme Court and deny the Michigan businessman his day in court. While the bill passed the Senate before the court ruled, the House did not move the bill until today. On June 13, the Michigan Supreme Court ruled unanimously that PAR is, indeed, a collection agency. Now this out-of-state collection agency, PAR, is again attempting with this amended bill to change the law to exempt what they do in Michigan from Michigan’s licensing law.

They obtain personal information of the owners of the vehicles, recover the vehicle under contract from finance companies, and dispose of these vehicles through auction. They are, in fact, a collection agency. They’re now trying to change the definition of a collection agency. I urge you to not condone this out-of-state company’s shady business practices by changing the law to protect their activities, when legitimate licensed local Michigan companies have operated within the law.

I urge you to vote “no” on concurring in Senate Bill No. 947 and to do the right thing for Michigan consumers and businesses.

### Recess

Senator Meekhof moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 12:45 a.m.

2:13 a.m.

The Senate was called to order by the Assistant President pro tempore, Senator Hansen.

### House Bill No. 4251, entitled

A bill to amend 1909 PA 283, entitled "An act to revise, consolidate, and add to the laws relating to the establishment, opening, discontinuing, vacating, closing, altering, improvement, maintenance, and use of the public highways and private roads; the condemnation of property and gravel therefor; the building, repairing and preservation of bridges; maintaining public access to waterways under certain conditions; setting and protecting shade trees, drainage, and cutting weeds and brush within this state; providing for the election or appointment and defining the powers, duties, and compensation of state, county, township, and district highway officials; and to prescribe penalties and provide remedies," (MCL 220.1 to 239.6) by adding section 19c to chapter IV.

The House of Representatives has substituted (H-5) the Senate substitute (S-3).

The House of Representatives has concurred in the Senate substitute (S-3) as substituted (H-5).

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Meekhof moved that the rule be suspended.

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

The question being on concurring in the House substitute made to the Senate substitute,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

### Roll Call No. 915

Yeas—38

Ananich	Gregory	Kahn	Richardville
Anderson	Hansen	Kowall	Robertson
Bieda	Hildenbrand	Marleau	Rocca
Booher	Hood	Meekhof	Schuitmaker
Brandenburg	Hopgood	Moolenaar	Smith
Casperson	Hune	Nofs	Walker
Caswell	Hunter	Pappageorge	Warren
Colbeck	Jansen	Pavlov	Whitmer
Emmons	Johnson	Proos	Young
Green	Jones		

Nays—0

Excused—0

Not Voting—0

In The Chair: Hansen

### House Bill No. 5167, entitled

A bill to amend 1951 PA 51, entitled "An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor



vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts,” by amending section 11c (MCL 247.661c), as amended by 2002 PA 498.

The House of Representatives has substituted (H-3) the Senate substitute (S-2).

The House of Representatives has concurred in the Senate substitute (S-2) as substituted (H-3).

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Meekhof moved that the rule be suspended.

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

The question being on concurring in the House substitute made to the Senate substitute,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 916**

**Yeas—38**

Ananich	Gregory	Kahn	Richardville
Anderson	Hansen	Kowall	Robertson
Bieda	Hildenbrand	Marleau	Rocca
Booher	Hood	Meekhof	Schuitmaker
Brandenburg	Hopgood	Moolenaar	Smith
Casperson	Hune	Nofs	Walker
Caswell	Hunter	Pappageorge	Warren
Colbeck	Jansen	Pavlov	Whitmer
Emmons	Johnson	Proos	Young
Green	Jones		

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Hansen

By unanimous consent the Senate proceeded to the order of  
**Statements**

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

The motion prevailed.

Senator Nofs' statement is as follows:

Today, Friday, December 19, marks a significant anniversary for the Nottawaseppi Huron Band of Potawatomi from my district. I would ask the chamber to join me in extending congratulations as they celebrate the 19th anniversary of their federal recognition.

I'd also like to draw the chamber's attention to a historical repatriation ceremony the Nottawaseppi Huron Band of Potawatomi will be holding over the weekend. Because of the actions of the 1970s and '80s by the Michigan State Police to protect human remains which have been determined by the Michigan State University Anthropology Department to be Native Americans, the MSP are working with and returning these human remains for repatriation on the reservation of the Nottawaseppi Huron Band of Potawatomi. The NHBP will be retrieving the remains today with a formal repatriation ceremony at 11 o'clock this Sunday, December 21st, which is the same day as the winter solstice.

This is not only symbolic, but a very important cultural event that should not be taken for granted. This ceremony demonstrates the integrity and significance between the state and federal governments and our tribal communities. I want to thank the MSP and Michigan State University for their efforts in this endeavor. I also want to provide my prayers and appreciation for the Nottawaseppi Huron Band of Potawatomi leadership for their efforts to honor their ancestors. We should all take on how they honor their past.

### Recess

Senator Meekhof moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 2:23 a.m.

2:39 a.m.

The Senate was called to order by the Assistant President pro tempore, Senator Hansen.

By unanimous consent the Senate returned to the order of

### Messages from the House

#### Senate Bill No. 847, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 522 (MCL 206.522), as amended by 2013 PA 206.

The House of Representatives has substituted (H-1) the bill.

The House of Representatives has passed the bill as substituted (H-1) and amended the title to read as follows:

A bill to amend 1967 PA 281, entitled "An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, reporting, payment, and enforcement by lien and otherwise of taxes on or measured by net income and on certain commercial, business, and financial activities; to prescribe the manner and time of making reports and paying the taxes, and the functions of public officers and others as to the taxes; to permit the inspection of the records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits and refunds of the taxes; to prescribe penalties for the violation of this act; to provide an appropriation; and to repeal acts and parts of acts," by amending sections 272 and 522 (MCL 206.272 and 206.522), section 272 as amended by 2011 PA 38 and section 522 as amended by 2013 PA 206.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Meekhof moved that the rule be suspended.

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

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

#### Roll Call No. 917

#### Yeas—23

Ananich	Gregory	Johnson	Rocca
Anderson	Hansen	Jones	Smith
Bieda	Hood	Kowall	Warren
Booher	Hopgood	Meekhof	Whitmer
Casperson	Hunter	Pappageorge	Young
Caswell	Jansen	Richardville	

**Nays—15**

Brandenburg	Hildenbrand	Moolenaar	Robertson
Colbeck	Hune	Nofs	Schuitmaker
Emmons	Kahn	Pavlov	Walker
Green	Marleau	Proos	

**Excused—0****Not Voting—0**

In The Chair: Hansen

The Senate agreed to the title as amended.

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

Senator Whitmer moved that she be named co-sponsor of the bill.

The motion prevailed.

Senator Hildenbrand moved that he be removed as prime sponsor of the bill.

The motion prevailed.

**Senate Bill No. 658, entitled**

A bill to amend 1933 PA 167, entitled “General sales tax act,” (MCL 205.51 to 205.78) by adding section 2b.

The House of Representatives has amended the bill as follows:

1. Amend page 5, line 10, after “October 1,” by striking out “2014” and inserting “2015”.

The House of Representatives has passed the bill as amended, and pursuant to Joint Rule 20, inserted the full title.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Meekhof moved that the rule be suspended.

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

The question being on concurring in the amendment made to the bill by the House,

The amendment was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 918****Yeas—25**

Ananich	Hansen	Kahn	Schuitmaker
Anderson	Hood	Kowall	Smith
Bieda	Hopgood	Marleau	Walker
Booher	Hunter	Nofs	Warren
Brandenburg	Jansen	Pappageorge	Whitmer
Caswell	Johnson	Richardville	Young
Gregory			

**Nays—13**

Casperson	Hildenbrand	Meekhof	Proos
Colbeck	Hune	Moolenaar	Robertson
Emmons	Jones	Pavlov	Rocca
Green			

**Excused—0**

**Not Voting—0**

In The Chair: Hansen

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was not concurred in, 2/3 of the members serving not voting therefor. The Senate agreed to the full title. The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

**Senate Bill No. 659, entitled**

A bill to amend 1937 PA 94, entitled "Use tax act," (MCL 205.91 to 205.111) by adding section 5a.

The House of Representatives has amended the bill as follows:

1. Amend page 5, line 13, after "October 1," by striking out "2014" and inserting "2015".

The House of Representatives has passed the bill as amended, and pursuant to Joint Rule 20, inserted the full title.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Meekhof moved that the rule be suspended.

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

The question being on concurring in the amendment made to the bill by the House,

The amendment was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 919****Yeas—24**

Ananich	Gregory	Johnson	Schuitmaker
Anderson	Hansen	Kahn	Smith
Bieda	Hood	Kowall	Walker
Booher	Hopgood	Nofs	Warren
Brandenburg	Hunter	Pappageorge	Whitmer
Caswell	Jansen	Richardville	Young

**Nays—14**

Casperson	Hildenbrand	Meekhof	Proos
Colbeck	Hune	Moolenaar	Robertson
Emmons	Jones	Pavlov	Rocca
Green	Marleau		

**Excused—0****Not Voting—0**

In The Chair: Hansen

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was not concurred in, 2/3 of the members serving not voting therefor. The Senate agreed to the full title. The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

By unanimous consent the Senate proceeded to the order of  
**Conference Reports**

Senator Meekhof moved that joint rule 9 be suspended to permit immediate consideration of the conference reports relative to the following bills:

**House Bill No. 4539**

**House Bill No. 5477**

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

**House Bill No. 4539, entitled**

A bill to amend 1933 PA 167, entitled "General sales tax act," by amending sections 2, 4, 6a, and 25 (MCL 205.52, 205.54, 205.56a, and 205.75), sections 2 and 4 as amended by 2004 PA 173, section 6a as amended by 2013 PA 1, and section 25 as amended by 2012 PA 226, and by adding section 2b.

The House of Representatives has adopted the report of the Committee of Conference.

The Conference Report was read as follows:

FIRST CONFERENCE REPORT

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

**House Bill No. 4539, entitled**

A bill to amend 1933 PA 167, entitled "General sales tax act," by amending sections 2, 4, 6a, and 25 (MCL 205.52, 205.54, 205.56a, and 205.75), sections 2 and 4 as amended by 2004 PA 173, section 6a as amended by 2013 PA 1, and section 25 as amended by 2012 PA 226, and by adding section 2b.

Recommends:

First: That the Senate recede from the Substitute of the Senate as passed by the Senate.

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

A bill to amend 1933 PA 167, entitled "General sales tax act," by amending sections 2, 4, 6a, and 25 (MCL 205.52, 205.54, 205.56a, and 205.75), sections 2 and 4 as amended by 2004 PA 173, section 6a as amended by 2013 PA 1, and section 25 as amended by 2012 PA 226, and by adding section 4dd.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

Sec. 2. (1) Except as provided in section 2a, there is levied upon and there shall be collected from all persons engaged in the business of making sales at retail, by which ownership of tangible personal property is transferred for consideration, an annual tax for the privilege of engaging in that business equal to ~~6%~~**7%** of the gross proceeds of the business, plus the penalty and interest if applicable as provided by law, less deductions allowed by this act.

(2) The tax under subsection (1) also applies to the following:

(a) The transmission and distribution of electricity, whether the electricity is purchased from the delivering utility or from another provider, if the sale is made to the consumer or user of the electricity for consumption or use rather than for resale.

(b) The sale of a prepaid telephone calling card or a prepaid authorization number for telephone use, rather than for resale, including the reauthorization of a prepaid telephone calling card or a prepaid authorization number.

(c) A conditional sale, installment lease sale, or other transfer of property, if title is retained as security for the purchase but is intended to be transferred later.

(3) Any person engaged in the business of making sales at retail who is at the same time engaged in some other kind of business, occupation, or profession not taxable under this act shall keep books to show separately the transactions used in determining the tax levied by this act. If the person fails to keep separate books, there shall be levied upon him or her the tax provided for in subsection (1) equal to ~~6%~~**7%** of the entire gross proceeds of both or all of his or her businesses. The taxes levied by this section are a personal obligation of the taxpayer.

(4) A meal provided free of charge or at a reduced rate to an employee during work hours by a food service establishment licensed by the Michigan department of agriculture for the convenience of the employer is not considered transferred for consideration.

Sec. 4. (1) In computing the amount of tax levied under this act for any month, a taxpayer not subject to section 6(2) may deduct the amount provided by subdivision (a) or (b), whichever is greater:

(a) If the tax that accrued to this state from the sales at retail during the preceding month is remitted to the department on or before the twelfth day of the month in which remittance is due, 0.75% of the tax due at a rate of ~~4%~~**NOT MORE THAN 5%** for the preceding monthly period, but not to exceed \$20,000.00 of the tax due for that month. If the tax that accrued to this state from the sales at retail during the preceding month is remitted to the department after the twelfth day and on or before the

twentieth day of the month in which remittance is due, 0.50% of the tax due at a rate of ~~4%~~**NOT MORE THAN 5%** for the preceding monthly period, but not to exceed \$15,000.00 of the tax due for that month.

(b) The tax at a rate of ~~4%~~**NOT MORE THAN 5%** due on \$150.00 of taxable gross proceeds for the preceding monthly period, or a prorated portion of \$150.00 of the taxable gross proceeds for the preceding month if the taxpayer engaged in business for less than a month.

(2) Beginning January 1, 1999, in computing the amount of tax levied under this act for any month, a taxpayer who is subject to section 6(2) may deduct from the amount of the tax paid 0.50% of the tax due at a rate of ~~4%~~**NOT MORE THAN 5%**.

(3) A deduction is not allowed under this section for payments of taxes made to the department after the day the taxpayer is required to pay, pursuant to section 6, the tax imposed by this act.

(4) If, pursuant to section 6(4), the department prescribes the filing of returns and the payment of the tax for periods in excess of 1 month, a taxpayer is entitled to a deduction from the tax collections remitted to the department for the extended payment period that is equivalent to the deduction allowed under subsection (1) or (2) for monthly periods.

(5) The department may prescribe the filing of estimated returns and annual periodic reconciliations as necessary to carry out the purposes of this section.

(6) A seller registered under the streamlined sales and use tax agreement may claim a deduction under this section if provided for in the streamlined sales and use tax administration act.

**SEC. 4DD. BEGINNING OCTOBER 1, 2015, THE TAX LEVIED UNDER THIS ACT DOES NOT APPLY TO THE SALE OF GASOLINE OR DIESEL FUEL USED TO OPERATE A MOTOR VEHICLE ON THE PUBLIC ROADS OR HIGHWAYS OF THIS STATE.**

Sec. 6a. (1) Through March 31, 2013, at the time of purchase or shipment from a refiner, pipeline terminal operator, or marine terminal operator, a purchaser or receiver of gasoline shall prepay a portion of the tax imposed by this act at the rate provided in this section to the refiner, pipeline terminal operator, or marine terminal operator for the purchase or receipt of gasoline. If the purchase or receipt of gasoline is made outside this state for shipment into and subsequent sale within this state, the purchaser or receiver, other than a refiner, pipeline terminal operator, or marine terminal operator, shall make the prepayment required by this section directly to the department. Prepayments for gasoline shall be made at a cents-per-gallon rate determined by the department and shall be based on 6% of the statewide average retail price of a gallon of self-serve unleaded regular gasoline as determined and certified by the department rounded up to the nearest 1/10 of 1 cent. A person that makes prepayments directly to the department shall make those prepayments according to the schedule in subsection (6).

(2) Beginning April 1, 2013 **THROUGH OCTOBER 1, 2015**, at the time of purchase or shipment from a refiner, pipeline terminal operator, or marine terminal operator, a purchaser or receiver of fuel shall prepay a portion of the tax imposed by this act at the rates provided in this section to the refiner, pipeline terminal operator, or marine terminal operator for the purchase or receipt of fuel. If the purchase or receipt of fuel is made outside this state for shipment into and subsequent sale within this state, the purchaser or receiver, other than a refiner, pipeline terminal operator, or marine terminal operator, shall make the prepayment required by this section directly to the department. Prepayments for gasoline shall be made at a cents-per-gallon rate determined by the department and shall be based on 6% of the statewide average retail price of a gallon of self-serve unleaded regular gasoline as determined and certified by the department rounded up to the nearest 1/10 of 1 cent. Prepayments for diesel fuel shall be made at a cents-per-gallon rate determined by the department and shall be based on 6% of the statewide average retail price of a gallon of undyed No. 2 ultra-low sulfur diesel fuel as determined and certified by the department rounded up to the nearest 1/10 of 1 cent. A person that makes prepayments directly to the department shall make those prepayments according to the schedule in subsection (6).

(3) Through March 31, 2013, the rate of prepayment applied pursuant to subsection (1) shall be determined every 3 months by the department unless the department certifies that the change in the statewide average retail price of a gallon of self-serve unleaded regular gasoline has been less than 10% since the establishment of the rate of prepayment then in effect.

(4) Beginning April 1, 2013, the rates of prepayment applied pursuant to subsection (2) shall be determined every month by the department. Notwithstanding subsection (3), the department shall publish notice of the rates of prepayment applicable to gasoline and diesel fuel pursuant to subsection (2) not later than the tenth day of the month immediately preceding the month in which the rate is effective.

(5) A person subject to tax under this act that makes prepayment to another person as required by this section for gasoline may claim an estimated prepayment credit on its regular monthly return filed pursuant to section 6. The credit shall be for prepayments made during the month for which the return is required and shall be based upon the difference between prepayments made in the immediately preceding month and collections of prepaid tax received from sales or transfers during the month for which the return required under section 6 is made. A sale or transfer for which collection of prepaid tax is due the taxpayer is subject to a bad debt deduction under section 4i, whether or not the sale or transfer is a sale at retail. The credit shall not be reduced because of actual shrinkage. A taxpayer that does not, in the ordinary course of business, sell gasoline in each month of the year may, with the approval of the department, base the initial prepayment deduction in each tax year on prepayments made in a month other than the immediately preceding month. The difference in actual prepayments shall be reconciled on the annual return in accordance with procedures prescribed by the department.



(6) Notwithstanding the other provisions for the payment and remitting of tax due under this act, a refiner, pipeline terminal operator, or marine terminal operator shall account for and remit to the department the prepayments received pursuant to this section in accordance with the following schedule:

(a) On or before the twenty-fifth of each month, prepayments received after the end of the preceding month and before the sixteenth of the month in which the prepayments are made.

(b) On or before the tenth of each month, payments received after the fifteenth and before the end of the preceding month.

(7) A refiner, pipeline terminal operator, or marine terminal operator that fails to remit prepayments made by a purchaser or receiver of fuel is subject to the penalties provided by 1941 PA 122, MCL 205.1 to 205.31.

(8) The refiner, pipeline terminal operator, or marine terminal operator shall not receive a deduction under section 4 for receiving and remitting prepayments from a purchaser or receiver pursuant to this section.

(9) The purchaser or receiver of fuel that makes prepayments is not subject to further liability for the amount of the prepayment if the refiner, pipeline terminal operator, or marine terminal operator fails to remit the prepayment.

(10) A person subject to tax under this act that makes prepayment to another person as required by this section for diesel fuel may claim an estimated prepayment credit on its regular monthly return filed pursuant to section 6. The credit shall be for prepayments made during the month for which the return is required and shall be based upon the difference between the prepayments made in the immediately preceding month and collections of prepaid tax received from sales or transfers during the month for which the return required under section 6 is made. A sale or transfer for which collection of prepaid tax is due the taxpayer is subject to a bad debt deduction under section 4i, whether or not the sale or transfer is a sale at retail. The credit shall not be reduced because of actual shrinkage. A taxpayer that does not, in the ordinary course of business, sell diesel fuel in each month of the year may, with the approval of the department, base the initial prepayment deduction in each tax year on prepayments made in a month other than the immediately preceding month. Estimated prepayment credits claimed with the return due in April 2013 shall be based on the taxpayer's retail sales of diesel fuel in March 2013. The difference in actual prepayments shall be reconciled on the annual return in accordance with procedures prescribed by the department. Repayment of the credit claimed on the return due in April 2013 shall be made by the earlier of the date that the taxpayer stops selling diesel fuel or October 15, 2013.

(11) As used in this section:

(a) "Blendstock" includes all of the following:

(i) Any petroleum product component of fuel, such as naphtha, reformat, or toluene.

(ii) Any oxygenate that can be blended for use in a motor fuel.

(b) "Boat terminal transfer" means a dock, a tank, or equipment contiguous to a dock or a tank, including equipment used in the unloading of fuel from a ship and in transferring the fuel to a tank pending wholesale bulk reshipment.

(c) "Diesel fuel" means any liquid other than gasoline that is capable of use as a fuel or a component of a fuel in a motor vehicle that is propelled by a diesel-powered engine or in a diesel-powered train. Diesel fuel includes number 1 and number 2 fuel oils and mineral spirits. Diesel fuel also includes any blendstock or additive that is sold for blending with diesel fuel and any liquid prepared, advertised, offered for sale, sold for use as, or used in the generation of power for the propulsion of a diesel-powered engine, airplane, or marine vessel. An additive or blendstock is presumed to be sold for blending unless a certification is obtained for federal purposes that the substance is for a use other than blending for diesel fuel. Diesel fuel does not include dyed diesel fuel, kerosene, or an excluded liquid.

(d) "Dyed diesel fuel" means diesel fuel that is dyed in accordance with internal revenue service rules or pursuant to any other internal revenue service requirements, including any invisible marker requirements.

(e) "Excluded liquid" means that term as defined in 26 CFR 48.4081-1.

(f) "Fuel" means gasoline and diesel fuel that is subject to tax under this act, collectively, except when gasoline or diesel fuel is referred to separately.

(g) "Gasoline" means and includes gasoline, alcohol, gasohol, casing head or natural gasoline, benzol, benzine, naphtha, methanol, any blendstock additive, or other product that is sold for blending with gasoline or for use on the road, other than products typically sold in containers of less than 5 gallons. Gasoline also includes a liquid prepared, advertised, offered for sale, sold for use as, or used in the generation of power for the propulsion of a motor vehicle, airplane, or marine vessel, including a product obtained by blending together any 1 or more products of petroleum, with or without another product, and regardless of the original character of the petroleum products blended, if the product obtained by the blending is capable of use in the generation of power for the propulsion of a motor vehicle, airplane, or marine vessel. The blending of all of the above-named products, regardless of their name or characteristics, shall conclusively be presumed to have been done to produce fuel, unless the product obtained by the blending is entirely incapable of use as fuel. An additive or blendstock is presumed to be sold for blending unless a certification is obtained for federal purposes that the substance is for a use other than blending for gasoline. Gasoline does not include diesel fuel, dyed diesel fuel, kerosene, or an excluded liquid.

(h) "Kerosene" means all grades of kerosene, including, but not limited to, the 2 grades of kerosene, No. 1-K and No. 2-K, commonly known as K-1 kerosene and K-2 kerosene, respectively, described in American society for testing and materials specification D-3699, in effect on January 1, 1999, and kerosene-type jet fuel described in American society for testing and materials specification D-1655 and military specifications MIL-T-5624r and MIL-T-83133d (grades jp-5 and jp-8), and any

successor internal revenue service rules or regulations, as the specification for kerosene and kerosene-type jet fuel. Kerosene does not include an excluded liquid.

(i) "Marine terminal operator" means a person that stores fuel at a boat terminal transfer.

(j) "Pipeline terminal operator" means a person that stores fuel in tanks and equipment used in receiving and storing fuel from interstate and intrastate pipelines pending wholesale bulk reshipment.

(k) "Purchase" or "shipment" does not include an exchange of fuel or an exchange transaction between refiners, pipeline terminal operators, or marine terminal operators.

(l) "Refiner" means a person that manufactures or produces fuel by any process involving substantially more than the blending of fuel.

Sec. 25. (1) All money received and collected under this act shall be deposited by the department in the state treasury to the credit of the general fund, except as otherwise provided in this section.

(2) Fifteen percent of the collections of the tax imposed at a rate of ~~4%~~ **NOT MORE THAN 5%** shall be distributed to cities, villages, and townships pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921.

(3) Sixty percent of the collections of the tax imposed at a rate of ~~4%~~ **NOT MORE THAN 5%** shall be deposited in the state school aid fund established in section 11 of article IX of the state constitution of 1963 and distributed as provided by law. In addition, all of the collections of the tax imposed at the additional rate of 2% approved by the electors March 15, 1994 shall be deposited in the state school aid fund.

(4) Not less than 27.9% of 25% of the collections of the general sales tax imposed at a rate of ~~4%~~ **NOT MORE THAN 5%** directly or indirectly on fuels sold to propel motor vehicles upon highways, on the sale of motor vehicles, and on the sale of the parts and accessories of motor vehicles by new and used car businesses, used car businesses, accessory dealer businesses, and gasoline station businesses as classified by the department of treasury shall be deposited each year into the comprehensive transportation fund created in section 10b of 1951 PA 51, MCL 247.660b.

(5) For the fiscal year ending September 30, 2013 only, an amount equal to 18% of the collections of the tax imposed at a rate of ~~4%~~ **NOT MORE THAN 5%** under this act from the sale of motor fuel, as that term is defined in section 4 of the motor fuel tax act, 2000 PA 403, MCL 207.1004, shall be distributed as follows:

(a) An amount sufficient to match available federal highway funds shall be deposited into the state trunk line fund created in section 11 of 1951 PA 51, MCL 247.661, for the purpose of matching federal aid highway funds as those federal funds are made available to this state, but not less than 39.1% subject to subdivision (c).

(b) After the distribution under subdivision (a), any remaining balance, subject to subdivision (c), shall be distributed as follows:

(i) 66% to the county road commissions of this state, which distribution shall be administered under section 12 of 1951 PA 51, MCL 247.662.

(ii) 34% to the cities and villages of this state, which distribution shall be administered under section 13 of 1951 PA 51, MCL 247.663.

(c) Funds distributed under this subsection shall not exceed \$100,000,000.00.

~~(6) For the fiscal year ending September 30, 2013 only and except as otherwise limited in this subsection after the allocations and distributions are made pursuant to subsections (2) and (3), an amount equal to the collections of the tax imposed at a rate of 4% under this act from the sale at retail of aviation fuel and aviation products shall be deposited in the state aeronautics fund and shall be expended, on appropriation, only for those purposes authorized in the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208. Not more than \$10,000,000.00 shall be deposited in the state aeronautics fund under this subsection. As used in this subsection, "state aeronautics fund" means the state aeronautics fund created in section 34 of the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.34.~~

~~(6) (7)~~ An amount equal to the collections of the tax imposed at a rate of ~~4%~~ **NOT MORE THAN 5%** under this act from the sale at retail of computer software as defined in section 1a shall be deposited in the Michigan health initiative fund created in section 5911 of the public health code, 1978 PA 368, MCL 333.5911, and shall be considered in addition to, and is not intended as a replacement for any other money appropriated to the department of community health. The funds deposited in the Michigan health initiative fund on an annual basis shall not be less than \$9,000,000.00 or more than \$12,000,000.00.

~~(7) (8)~~ The balance in the state general fund shall be disbursed only on an appropriation or appropriations by the legislature.

Enacting section 1. This amendatory act does not take effect unless House Joint Resolution UU of the 97th Legislature becomes a part of the state constitution of 1963 as provided in section 1 of article XII of the state constitution of 1963.

Enacting section 2. This amendatory act does not take effect unless all of the following bills of the 97th Legislature are enacted into law:

(a) Senate Bill No. 80.

(b) Senate Bill No. 423.

(c) Senate Bill No. 847.

(d) House Bill No. 5477.

(e) House Bill No. 5492.



Enacting section 3. This amendatory act takes effect October 1, 2015.

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

A bill to amend 1933 PA 167, entitled “An act to provide for the raising of additional public revenue by prescribing certain specific taxes, fees, and charges to be paid to the state for the privilege of engaging in certain business activities; to provide, incident to the enforcement thereof, for the issuance of licenses to engage in such occupations; to provide for the ascertainment, assessment and collection thereof; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this act,” by amending sections 2, 4, 6a, and 25 (MCL 205.52, 205.54, 205.56a, and 205.75), sections 2 and 4 as amended by 2004 PA 173, section 6a as amended by 2013 PA 1, and section 25 as amended by 2012 PA 226, and by adding section 4dd.

Jim Stamas  
Rob VerHeulen  
Marilyn Lane  
Conferees for the House

Arlan B. Meekhof  
Mike Kowall  
Jim Ananich  
Conferees for the Senate

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 920**

**Yeas—23**

Ananich	Hansen	Jones	Richardville
Bieda	Hood	Kahn	Smith
Booher	Hopgood	Kowall	Walker
Casperson	Hunter	Meekhof	Warren
Caswell	Jansen	Nofs	Whitmer
Gregory	Johnson	Pappageorge	

**Nays—15**

Anderson	Green	Moolenaar	Rocca
Brandenburg	Hildenbrand	Pavlov	Schuitmaker
Colbeck	Hune	Proos	Young
Emmons	Marleau	Robertson	

**Excused—0**

**Not Voting—0**

In The Chair: Hansen

**House Bill No. 5477, entitled**

A bill to amend 2000 PA 403, entitled “Motor fuel tax act,” by amending sections 2, 3, 5, 6, 8, and 152 (MCL 207.1002, 207.1003, 207.1005, 207.1006, 207.1008, and 207.1152), sections 2 and 5 as amended by 2002 PA 668, section 3 as amended by 2006 PA 277, and section 8 as amended by 2006 PA 268.

The House of Representatives has adopted the report of the Committee of Conference.

The Conference Report was read as follows:

#### FIRST CONFERENCE REPORT

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

**House Bill No. 5477, entitled**

A bill to amend 2000 PA 403, entitled "Motor fuel tax act," by amending sections 2, 3, 5, 6, 8, and 152 (MCL 207.1002, 207.1003, 207.1005, 207.1006, 207.1008, and 207.1152), sections 2 and 5 as amended by 2002 PA 668, section 3 as amended by 2006 PA 277, and section 8 as amended by 2006 PA 268.

Recommends:

First: That the House recede from the House Substitute for the Senate Substitute as passed by the House.

Second: 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 amend 2000 PA 403, entitled "Motor fuel tax act," by amending sections 2, 3, 5, 6, 8, 22, 40, 45, 53, 63, 122, 143, 151, 152, 153, 154, and 155 (MCL 207.1002, 207.1003, 207.1005, 207.1006, 207.1008, 207.1022, 207.1040, 207.1045, 207.1053, 207.1063, 207.1122, 207.1143, 207.1151, 207.1152, 207.1153, 207.1154, and 207.1155), sections 2, 5, and 122 as amended by 2002 PA 668, section 3 as amended by 2006 PA 277, and section 8 as amended by 2006 PA 268.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

Sec. 2. As used in this act:

(a) "Alcohol" means fuel grade ethanol or a mixture of fuel grade ethanol and another product.

**(B) "AVERAGE WHOLESALE DIESEL FUEL PRICE" MEANS THE STATEWIDE AVERAGE WHOLESALE PRICE OF DIESEL FUEL AS DETERMINED BY THE DEPARTMENT BASED UPON A 12-MONTH ROLLING AVERAGE OF THE WHOLESALE DIESEL FUEL PRICE. FOR THE RATE EFFECTIVE OCTOBER 1, 2015 UNDER SECTION 8(1)(B), THE 12-MONTH ROLLING AVERAGE PERIOD BEGINS ON JULY 1, 2013 AND ENDS ON JUNE 30, 2014. FOR THE RATE EFFECTIVE OCTOBER 1, 2016 AND THE RATE IN EFFECT EACH YEAR THEREAFTER, THE 12-MONTH ROLLING AVERAGE PERIOD ENDS ON THE LAST DAY OF THE MONTH THAT IS 3 MONTHS PRIOR TO THE DATE ON WHICH THE RATE DETERMINED UNDER SECTION 8(1)(B) BECOMES EFFECTIVE.**

**(C) "AVERAGE WHOLESALE GASOLINE PRICE" MEANS THE STATEWIDE AVERAGE WHOLESALE PRICE OF GASOLINE AS DETERMINED BY THE DEPARTMENT BASED UPON A 12-MONTH ROLLING AVERAGE OF THE WHOLESALE GASOLINE PRICE. FOR THE RATE EFFECTIVE OCTOBER 1, 2015 UNDER SECTION 8(1)(A), THE 12-MONTH ROLLING AVERAGE PERIOD BEGINS ON JULY 1, 2013 AND ENDS ON JUNE 30, 2014. FOR THE RATE EFFECTIVE OCTOBER 1, 2016 AND THE RATE IN EFFECT EACH YEAR THEREAFTER, THE 12-MONTH ROLLING AVERAGE PERIOD ENDS ON THE LAST DAY OF THE MONTH THAT IS 3 MONTHS PRIOR TO THE DATE ON WHICH THE RATE DETERMINED UNDER SECTION 8(1)(A) BECOMES EFFECTIVE.**

**(D) (b) "Blendstock" means and includes any petroleum product component of motor fuel, such as naphtha, reformat, or toluene; or any oxygenate that can be blended for use in a motor fuel.**

**(E) (e) "Blended motor fuel" means a mixture of motor fuel and another liquid, other than a de minimis amount of a product including, but not limited to, carburetor detergent or oxidation inhibitor, that can be used as motor fuel in a motor vehicle.**

**(F) (d) "Blender" means and includes any person who produces blended motor fuel outside of the bulk transfer/terminal system.**

**(G) (e) "Blends" or "blending" means the mixing of 1 or more petroleum products, with or without another product, regardless of the original character of the product blended, if the product obtained by the blending is capable of use in the generation of power for the propulsion of a motor vehicle, an airplane, or a marine vessel. Blending does not include mixing that occurs in the process of refining by the original refiner of crude petroleum or the blending of products known as lubricating oil in the production of lubricating oils and greases.**

**(H) (f) "Bulk end user" means a person who receives into the person's own storage facilities by transport truck or tank wagon motor fuel for the person's own consumption.**

**(I) (g) "Bulk plant" means a motor fuel storage and distribution facility that is not a terminal and from which motor fuel may be withdrawn by a tank wagon, a transport truck, or a marine vessel.**

**(J) (h) "Bulk transfer" means a transfer of motor fuel from 1 location to another by pipeline tender or marine delivery within the bulk transfer/terminal system, including, but not limited to, all of the following transfers:**

*(i)* A marine vessel movement of motor fuel from a refinery or terminal to a terminal.

*(ii)* Pipeline movements of motor fuel from a refinery or terminal to a terminal.

*(iii)* Book transfers of motor fuel within a terminal between licensed suppliers before completion of removal across the terminal rack.

*(iv)* Two-party exchanges between licensed suppliers.

(K) ~~(j)~~ “Bulk transfer/terminal system” means the motor fuel distribution system consisting of refineries, pipelines, marine vessels, and terminals. Motor fuel in a refinery, pipeline, terminal, or a marine vessel transporting motor fuel to a refinery or terminal is in the bulk transfer/terminal system. Motor fuel in a fuel storage facility including, but not limited to, a bulk plant that is not part of a refinery or terminal, in the fuel supply tank of any engine or motor vehicle, in a marine vessel transporting motor fuel to a fuel storage facility that is not in the bulk transfer/terminal system, or in any tank car, rail car, trailer, truck, or other equipment suitable for ground transportation is not in the bulk transfer/terminal system.

(L) ~~(j)~~ “Carrier” means an operator of a pipeline or marine vessel engaged in the business of transporting motor fuel above the terminal rack.

(M) ~~(k)~~ “Commercial motor vehicle” means a motor vehicle licensed **AS A QUALIFIED COMMERCIAL MOTOR VEHICLE** under the motor carrier fuel tax act, 1980 PA 119, MCL 207.211 to 207.234, **OR A MOTOR VEHICLE LICENSED UNDER AN INTERNATIONAL FUEL TAX AGREEMENT UNDER SECTION 2A OF THE MOTOR CARRIER FUEL TAX ACT, 1980 PA 119, MCL 207.212A.**

(N) ~~(h)~~ “Dead storage” is the amount of motor fuel that cannot be pumped out of a motor fuel storage tank because the motor fuel is below the mouth of the tank’s draw pipe. The amount of motor fuel in dead storage is 200 gallons for a tank with a capacity of less than 10,000 gallons and 400 gallons for a tank with a capacity of 10,000 gallons or more.

(O) ~~(m)~~ “Denaturants” means ~~and includes~~ gasoline, natural gasoline, gasoline components, or toxic or noxious materials added to fuel grade ethanol to make it unsuitable for beverage use but not unsuitable for automotive use.

(P) ~~(n)~~ “Department” means the ~~bureau of revenue within the~~ department of treasury or its designee.

(Q) ~~(o)~~ “Destination state” means ~~the~~ A state, Canadian province or territory, or foreign country to which motor fuel is directed for export.

(R) ~~(p)~~ “Diesel fuel” means any liquid other than gasoline that is capable of use as a fuel or a component of a fuel in a motor vehicle that is propelled by a diesel-powered engine or in a diesel-powered train. Diesel fuel includes number 1 and number 2 fuel oils, kerosene, dyed diesel fuel, and mineral spirits. Diesel fuel also includes any blendstock or additive that is sold for blending with diesel fuel, any liquid prepared, advertised, offered for sale, sold for use as, or used in the generation of power for the propulsion of a diesel-powered engine, airplane, or marine vessel. An additive or blendstock is presumed to be sold for blending unless a certification is obtained for federal purposes that the substance is for a use other than blending for diesel fuel. Diesel fuel does not include an excluded liquid.

(S) ~~(q)~~ “Dyed diesel fuel” means diesel fuel that is dyed in accordance with internal revenue service rules or pursuant to any other internal revenue service requirements, including any invisible marker requirements.

(T) ~~(r)~~ “Eligible purchaser” means a person who has been authorized by the department under section 75 to make ~~the~~ AN election under section 74.

(U) ~~(s)~~ “Excluded liquid” means that term as defined in 26 ~~C.F.R.~~ **CFR** 48.4081-1.

(V) ~~(t)~~ “Export” means to obtain motor fuel in this state for sale or other distribution outside of this state. Motor fuel delivered outside of this state by or for the seller constitutes an export by the seller and motor fuel delivered outside of this state by or for the purchaser constitutes an export by the purchaser.

(W) ~~(u)~~ “Exporter” means a person who exports motor fuel.

Sec. 3. As used in this act:

(a) “Fuel feedstock user” means a person who receives motor fuel for the person’s own use in the manufacture or production of any substance other than motor fuel.

(b) “Fuel grade ethanol” means the American society for testing and materials standard in effect on ~~the effective date of this act~~ **APRIL 1, 2001** as the D-4806 specification for denatured fuel grade ethanol for blending with gasoline.

(c) “Fuel transportation vehicle” means a vehicle designed or used to transport motor fuel on the public roads or highways. Fuel transportation vehicle includes, but is not limited to, a transport truck and a tank wagon. Fuel transportation vehicle does not include a vehicle transporting a nurse tank or limited volume auxiliary-mounted supply tank used for fueling an implement of husbandry.

(d) “Gallon” means a unit of liquid measure as customarily used in the United States containing 231 cubic inches, or 4 quarts, or its metric equivalent expressed in liters. Where the term gallon appears in this act, the term liters is interchangeable so long as the equivalence of a gallon and 3.785 liters is preserved. A quantity required to be furnished under this act may be specified in liters when authorized by the department.

(e) “Gasohol” means a blended motor fuel composed of gasoline and fuel grade ethanol.

(f) “Gasoline” means ~~and includes~~ gasoline, alcohol, gasohol, casing head or natural gasoline, benzol, benzine, naphtha, and any blendstock additive, or other product including methanol that is sold for blending with gasoline or for use on the road other than products typically sold in containers of less than 5 gallons. Gasoline also includes a liquid prepared, advertised, offered for sale, sold for use as, or used in the generation of power for the propulsion of a motor vehicle, airplane, or marine vessel, including a product obtained by blending together any 1 or more products of petroleum, with or without another product, and regardless of the original character of the petroleum products blended, if the product obtained by the blending is capable of use in the generation of power for the propulsion of a motor vehicle, airplane, or marine vessel. The blending of all of the above named products, regardless of their name or characteristics, shall conclusively be presumed to have been done to produce motor fuel, unless the product obtained by the blending is entirely incapable of use as motor fuel. Gasoline also includes transmix.

Gasoline does not include diesel fuel or leaded racing fuel. An additive or blendstock is presumed to be sold for blending unless a certification is obtained for federal purposes that the substance is for a use other than blending for gasoline.

(g) “Gross gallons” means the total measured product, exclusive of any temperature or pressure adjustments, considerations, or deductions, in gallons.

(h) ~~“Heating oil” means a motor fuel including dyed diesel fuel that is burned in a boiler, furnace, or stove for heating, agricultural, or industrial processing purposes.~~

(H) (i) ~~“Implement of husbandry” means and includes a farm tractor, a vehicle designed to be drawn or pulled by a farm tractor or animal, a vehicle that directly harvests farm products, and OR a vehicle that directly applies fertilizer, spray, or seeds to a farm field. Implement of husbandry does not include a motor vehicle licensed for use on the public roads or highways of this state.~~

(I) (j) ~~“Import” means to bring motor fuel into this state by motor vehicle, marine vessel, pipeline, or any other means. However, import IMPORT does not include bringing motor fuel into this state in the fuel supply tank of a motor vehicle if the motor fuel is used to power that motor vehicle. Motor fuel delivered into this state from outside of this state by or for the seller constitutes an import by the seller, and motor fuel delivered into this state from out OUTSIDE of this state by or for the purchaser constitutes an import by the purchaser.~~

(J) (k) ~~“Importer” means a person who imports motor fuel into this state.~~

(K) (l) ~~“Import verification number” means the number assigned by the department to an individual delivery of motor fuel by a transport truck, tank wagon, marine vessel, or rail car in response to a request for a number from an importer or transporter carrying motor fuel into this state for the account of an importer.~~

(L) (m) ~~“In this state” means the area within the borders of this state, including all territories within the borders owned by, held in trust by, or added to the United States of America.~~

**(M) “INDEX” MEANS THE DETROIT CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS PUBLISHED BY THE UNITED STATES BUREAU OF LABOR STATISTICS OR, IF THAT INDEX CEASES TO BE PUBLISHED BY THE UNITED STATES BUREAU OF LABOR STATISTICS, THE PUBLISHED INDEX THAT MOST CLOSELY REFLECTS THE MEASURE OF INFLATION PREVIOUSLY REPORTED BY THE DETROIT CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS, AS DETERMINED BY THE DEPARTMENT.**

**(N) “INFLATION RATE” MEANS THE PERCENTAGE CHANGE BETWEEN THE INDEX FOR THE PERIOD BEGINNING ON JULY 1, 2013 AND ENDING ON JUNE 30, 2014 AND THE MOST RECENT INDEX FOR THE PERIOD BEGINNING ON JULY 1 AND ENDING ON JUNE 30, CONVERTED TO DECIMALS AND REDUCED BY THE TOTAL PERCENTAGE CHANGE BETWEEN 41.7 CENTS AND THE RATE FLOOR IN EFFECT ON OCTOBER 1 OF THE YEAR IMMEDIATELY PRECEDING THE YEAR IN WHICH THE CURRENT RATE IS IN EFFECT, CONVERTED TO DECIMALS. IF THAT NUMBER IS NEGATIVE, THE INFLATION RATE IS 0.**

(O) (n) ~~“Invoiced gallons” means the number of gallons actually billed on an invoice.~~

Sec. 5. (1) As used in this act:

(a) “Rack” means a mechanism for delivering motor fuel from a refinery, a terminal, or a marine vessel into a railroad tank car, a transport truck, a tank wagon, the fuel supply tank of a marine vessel, or other means of transfer outside of the bulk transfer/terminal system.

**(B) “RATE CEILING” MEANS A CENTS PER GALLON UPPER LIMIT ON THE TAX RATE DETERMINED BY THE DEPARTMENT AND IMPOSED ON GASOLINE OR DIESEL FUEL UNDER SECTION 8(1)(A) AND (B). BEGINNING WITH THE RATE IN EFFECT ON OCTOBER 1, 2015, RATE CEILING MEANS, FOR EACH RATE DETERMINED UNDER SECTION 8(1), THE SUM OF THE RATE FLOOR FOR THE APPLICABLE PERIOD PLUS 5 CENTS PER GALLON.**

**(C) “RATE FLOOR” MEANS A CENTS PER GALLON LOWER LIMIT ON THE TAX RATE DETERMINED BY THE DEPARTMENT AND IMPOSED ON GASOLINE OR DIESEL FUEL UNDER SECTION 8(1)(A) AND (B). BEGINNING WITH THE RATE IN EFFECT ON OCTOBER 1, 2015, RATE FLOOR MEANS 41.7 CENTS. BEGINNING ON OCTOBER 1, 2016, THE RATE FLOOR SHALL BE THE RATE FLOOR IN EFFECT FOR THE IMMEDIATELY PRECEDING YEAR MULTIPLIED BY 1 PLUS THE LESSER OF THE FOLLOWING:**

**(i) 0.05.**

**(ii) THE INFLATION RATE.**

(D) (b) ~~“Refiner” means a person who owns, operates, or otherwise controls a refinery within the United States.~~

(E) (c) ~~“Refinery” means a facility used to produce motor fuel from crude oil, unfinished oils, natural gas liquids, or other hydrocarbons and from which motor fuel may be removed by pipeline, by marine vessel, or at a rack.~~

(F) (d) ~~“Removal” or “removed” means a physical transfer other than by evaporation, loss, or destruction of motor fuel from a terminal, manufacturing plant, customs custody, pipeline, marine vessel, or refinery that stores motor fuel.~~

(G) (e) ~~“Retail diesel dealer” means a person who sells or distributes diesel fuel to an end user in this state.~~

(H) (f) ~~“Retail marine diesel dealer” means a person who sells or distributes diesel fuel to an end user in this state for use in boats or other marine vessels.~~

(I) (g) ~~“Source state” means the state, Canadian province or territory, or foreign country from which motor fuel is imported.~~

(J) ~~(H)~~ “Stationary engine” means a temporary or permanently affixed engine designed and used to supply power primarily for agricultural or construction work. Stationary engine includes, but is not limited to, an engine powering irrigation equipment, generators, or earth-moving equipment.

(K) ~~(I)~~ “Supplier”, in addition to subsection (2), means a person who meets all of the following requirements:

(i) Is subject to the general taxing jurisdiction of this state.

(ii) Is registered under section 4101 of the internal revenue code for transactions in motor fuel in the bulk transfer/terminal distribution system.

(iii) Is any 1 of the following:

- (A) The position holder in a terminal or refinery in this state.
- (B) A person who imports fuel grade ethanol into this state.
- (C) A person who acquires motor fuel from a terminal or refinery in this state from a position holder pursuant to a 2-party exchange.
- (D) The position holder in a terminal or refinery outside this state with respect to motor fuel which that person imports into this state on its account.

(2) Supplier also means a person who either produces alcohol or alcohol derivative substances in this state or produces alcohol or alcohol derivative substances for import into a terminal in this state, or who acquires immediately upon import by transport truck, tank wagon, rail car, or marine vessel into a terminal or refinery or other storage facility that is not part of a terminal or refinery, alcohol or alcohol derivative substances. A terminal operator is not considered a supplier merely because the terminal operator handles motor fuel consigned to it within a terminal. Supplier includes a permissive supplier unless otherwise specifically provided in this act.

Sec. 6. As used in this act:

(a) “Tank wagon” means a straight truck having 1 or more compartments other than the fuel supply tank designed or used to carry motor fuel.

(b) “Tank wagon operator-importer” means a person who operates a tank wagon and imports motor fuel into this state from another state.

(c) “Tax” means a tax, interest, or penalty levied under this act.

(d) “Terminal” means a motor fuel storage and distribution facility that meets all of the following requirements:

(i) Is registered as a qualified terminal by the internal revenue service.

(ii) Is supplied by pipeline or marine vessel.

(iii) Has a rack from which motor fuel may be removed.

(e) “Terminal operator” means a person who owns, operates, or otherwise controls a terminal.

(f) “Transmix” means the mixed product that results from the buffer or interface of 2 different products in a pipeline shipment, or a mixture of 2 different products within a refinery or terminal that results in an off-grade mixture.

(g) “Transport truck” means a semitrailer combination rig designed or used for the purpose of transporting motor fuel over the public roads or highways.

(h) “Transporter” means an operator of a railroad or rail car, tank wagon, transport truck, or other fuel transportation vehicle engaged in the business of transporting motor fuel below the terminal rack.

(i) “Two-party exchange” means a transaction in which motor fuel is transferred from 1 licensed supplier or licensed permissive supplier to another licensed supplier or licensed permissive supplier where all of the following occur:

(i) The transaction includes a transfer from the person who holds the original inventory position for motor fuel in the terminal as reflected in the records of the terminal operator.

(ii) The exchange transaction is completed before removal across the rack from the terminal by the receiving licensed supplier or licensed permissive supplier.

(iii) The terminal operator in its books and records treats the receiving exchange party as the supplier that removes the product across a terminal rack for purposes of reporting the transaction to the department.

(j) “Ultimate vendor” means the person who sells motor fuel to the end user of the fuel.

**(K) “WHOLESALE DIESEL FUEL PRICE” MEANS THE PRICE PER GALLON OF SELF-SERVE UNDYED NO. 2 ULTRA-LOW SULFUR DIESEL FUEL CHARGED BY A LICENSED SUPPLIER TO A PURCHASER AT THE TIME OF REMOVAL FROM A TERMINAL ACROSS THE RACK, AS DETERMINED BY THE DEPARTMENT, BASED ON AVAILABLE PRICING DATA THAT BEST REFLECT OR APPROXIMATE MICHIGAN RACK PRICES AS REPORTED BY THE UNITED STATES ENERGY INFORMATION ADMINISTRATION, THE OIL PRICE INFORMATION SERVICE, OR A SIMILAR NATIONALLY RECOGNIZED SOURCE FOR SUCH PRICING DATA, WHETHER PUBLICLY AVAILABLE OR AVAILABLE ONLY BY SUBSCRIPTION. WHOLESALE DIESEL FUEL PRICE DOES NOT INCLUDE THE TAX IMPOSED BY THIS ACT, PREPAID SALES TAX UNDER SECTION 6A OF THE GENERAL SALES TAX ACT, 1933 PA 167, MCL 205.56A, FEDERAL EXCISE TAX UNDER SECTION 4081 OF THE INTERNAL REVENUE CODE, 26 USC 4081, ANY OTHER FEDERAL TAX UPON MOTOR FUEL, OR AN ENVIRONMENTAL PROTECTION REGULATORY FEE IMPOSED UNDER SECTION 21508 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451, MCL 324.21508.**



**(I) “WHOLESALE GASOLINE PRICE” MEANS THE PRICE PER GALLON OF SELF-SERVE UNLEADED REGULAR GASOLINE CHARGED BY A LICENSED SUPPLIER TO A PURCHASER AT THE TIME OF REMOVAL FROM A TERMINAL ACROSS THE RACK, AS DETERMINED BY THE DEPARTMENT, BASED ON AVAILABLE PRICING DATA THAT BEST REFLECT OR APPROXIMATE MICHIGAN RACK PRICES AS REPORTED BY THE UNITED STATES ENERGY INFORMATION ADMINISTRATION, THE OIL PRICE INFORMATION SERVICE, OR A SIMILAR NATIONALLY RECOGNIZED SOURCE FOR SUCH PRICING DATA, WHETHER PUBLICLY AVAILABLE OR AVAILABLE ONLY BY SUBSCRIPTION. WHOLESALE GASOLINE PRICE DOES NOT INCLUDE THE TAX IMPOSED BY THIS ACT, PREPAID SALES TAX UNDER SECTION 6A OF THE GENERAL SALES TAX ACT, 1933 PA 167, MCL 205.56A, FEDERAL EXCISE TAX UNDER SECTION 4081 OF THE INTERNAL REVENUE CODE, 26 USC 4081, ANY OTHER FEDERAL TAX UPON MOTOR FUEL, OR AN ENVIRONMENTAL PROTECTION REGULATORY FEE IMPOSED UNDER SECTION 21508 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451, MCL 324.21508.**

**(M) ~~(K)~~ “Wholesaler” means a person who acquires motor fuel from a supplier or from another wholesaler for subsequent sale and distribution at wholesale by a fuel transportation vehicle, rail car, or other motor vehicle.**

**Sec. 8. (1) Subject-EXCEPT AS OTHERWISE PROVIDED IN THIS ACT AND SUBJECT to the exemptions provided for-in this act, tax is imposed on motor fuel imported into or sold, delivered, or used in this state at the following rates:**

**(a) Except as otherwise provided in subdivision (c), THROUGH SEPTEMBER 30, 2015, 19 cents per gallon on gasoline. SUBJECT TO SUBSECTION (2), BEGINNING WITH THE RATE EFFECTIVE OCTOBER 1, 2015 AND OCTOBER 1 OF EACH YEAR THEREAFTER, THE DEPARTMENT SHALL DETERMINE A CENTS PER GALLON RATE ON GASOLINE THAT SHALL BE DERIVED BY MULTIPLYING THE AVERAGE WHOLESALE GASOLINE PRICE BY 14.9%, ROUNDED UP TO THE NEAREST 1/10 OF 1 CENT.**

**(b) Except as otherwise provided in subdivision (d), THROUGH SEPTEMBER 30, 2015, 15 cents per gallon on diesel fuel. SUBJECT TO SUBSECTION (2), BEGINNING WITH THE RATE EFFECTIVE OCTOBER 1, 2015 AND OCTOBER 1 OF EACH YEAR THEREAFTER, THE DEPARTMENT SHALL DETERMINE A CENTS PER GALLON RATE ON DIESEL FUEL THAT SHALL BE DERIVED BY MULTIPLYING THE AVERAGE WHOLESALE DIESEL FUEL PRICE BY 14.9%, ROUNDED UP TO THE NEAREST 1/10 OF 1 CENT.**

**(c) Subject to subsections (10) and (11), 12 cents per gallon on gasoline that is at least 70% ethanol. Under this subdivision, blenders of ethanol and gasoline outside of the bulk transfer terminal system shall obtain a blender’s license and are subject to the blender reporting requirements under this act. A licensed supplier who blends ethanol and gasoline shall also obtain a blender’s license.**

**(d) Subject to subsections (10) and (11), 12 cents per gallon on diesel fuel that contains at least 5% biodiesel. Under this subdivision, blenders of biodiesel and diesel fuel outside of the bulk transfer terminal system are required to obtain a blender’s license and are subject to the blender reporting requirements under this act. A licensed supplier who blends biodiesel and diesel fuel shall also obtain a blender’s license.**

**(2) BEGINNING OCTOBER 1, 2015, THE RATE DETERMINED UNDER SUBSECTION (1)(A) OR (B) SHALL NOT EXCEED THE RATE CEILING OR BE BELOW THE RATE FLOOR FOR ANY YEAR FOR WHICH THE RATE IS IN EFFECT. IF THE RATE DETERMINED UNDER SUBSECTION (1)(A) OR (B) EXCEEDS THE RATE CEILING FOR ANY YEAR FOR WHICH THE RATE IS IN EFFECT, THE RATE SHALL BE EQUAL TO THE RATE CEILING. IF THE RATE DETERMINED UNDER SUBSECTION (1)(A) OR (B) IS BELOW THE RATE FLOOR FOR ANY YEAR FOR WHICH THE RATE IS IN EFFECT, THE RATE SHALL BE EQUAL TO THE RATE FLOOR.**

**(3) ~~(2)~~ Tax shall not be imposed under this section on motor fuel that is in the bulk transfer/terminal system.**

**(4) ~~(3)~~ The collection, payment, and remittance of the tax imposed by this section shall be accomplished in the manner and at the time provided for in this act.**

**(5) ~~(4)~~ Tax is also imposed at the rate described in subsection (1) on net gallons of motor fuel, including transmix, lost or unaccounted for, at each terminal in this state. The tax shall be measured annually and shall apply to the net gallons of motor fuel lost or unaccounted for that are in excess of 1/2 of 1% of all net gallons of fuel removed from the terminal across the rack or in bulk.**

**(6) ~~(5)~~ It is the intent of this act:**

**(a) To require persons who operate a motor vehicle on the public roads or highways of this state to pay for the privilege of using those roads or highways.**

**(b) To impose on suppliers a requirement to collect and remit the tax imposed by this act at the time of removal of motor fuel unless otherwise specifically provided in this act.**

**(c) To allow persons who pay the tax imposed by this act and who use the fuel for a nontaxable purpose to seek a refund or claim a deduction as provided in this act.**

**(d) That the tax imposed by this act be collected and paid at those times, in the manner, and by those persons specified in this act.**

(7) ~~(6)~~ Bills of lading and invoices shall identify the blended product and the correct fuel product code. The motor fuel tax rate for each product shall be listed separately on each invoice. Licensees shall report the correct fuel product code for the blended product as required by the department. When fuel is blended below the terminal rack, new bills of lading and invoices shall be generated and submitted to the department upon request. All bills of lading and invoices shall meet the requirements provided under this act.

(8) ~~(7)~~ Notwithstanding any other provision of this act, ~~all facilities~~ **A FACILITY** in this state that ~~produce~~ **PRODUCES** motor fuel and ~~distribute~~ **DISTRIBUTES** the fuel from a rack for purposes of this act ~~are~~ **IS** a terminal, ~~and~~ shall obtain a terminal operator license, and shall comply with all terminal operator reporting requirements under this act. ~~All~~ **A** position holders ~~HOLDER~~ **HOLDER** in these facilities **A FACILITY** shall be licensed as a supplier and shall comply with all supplier requirements under this act.

~~(8) If the tax on gasoline that contains at least 70% ethanol or diesel fuel that contains at least 5% biodiesel held in storage outside of the bulk transfer/terminal system on the effective date of the amendatory act that added this subsection has previously been paid at the rates imposed by subsection (1)(a) and (b), the person who paid the tax may claim a refund for the difference between the rates imposed by subsection (1)(a) and (b) and the rates imposed by subsection (1)(c) and (d). All of the following shall apply to a refund claimed under this subsection:~~

~~(a) The refund shall be claimed on a form prescribed by the department.~~

~~(b) The refund shall apply only to:~~

~~(i) Previously taxed gasoline containing at least 70% ethanol or diesel fuel containing at least 5% biodiesel in excess of 3,000 gallons held in storage by an end user.~~

~~(ii) Previously taxed gasoline containing at least 70% ethanol or diesel fuel containing at least 5% biodiesel held for sale that is in excess of dead storage.~~

~~(9) A refund request shall be filed within 60 days after the last day of the month in which the amendatory act that added this subsection took effect. A taxpayer shall provide documentation that the department requires in order to verify the request for refund. A person who may claim a refund under subsection (8) shall do all of the following to claim the refund:~~

~~(a) Not later than 12 a.m. on the effective date of the amendatory act that added this subsection, take an inventory of gasoline containing at least 70% ethanol or undyed diesel fuel containing at least 5% biodiesel.~~

~~(b) Deduct 3,000 gallons if the person claiming the refund is an end user.~~

~~(c) Deduct the number of gallons in dead storage if the gasoline containing at least 70% ethanol or the undyed diesel fuel containing at least 5% biodiesel is held for subsequent sale.~~

~~(10) Beginning on the effective date of the amendatory act that added this subsection, the state treasurer shall annually determine, for the 12-month period ending May 1 and for any additional times that the treasurer may determine, the difference between the amount of motor fuel tax collected and the amount of motor fuel tax that would have been collected but for the differential rates on gasoline pursuant to subsection (1)(c) and biodiesel pursuant to subsection (1)(d). Subsection (1)(c) and (d) is no longer effective the earlier of 10 years after the effective date of the amendatory act that added this subsection or the first day of the first month that is not less than 90 days after the state treasurer certifies that the total cumulative rate differential from the effective date of this amendatory act is greater than \$2,500,000.00.~~

~~(11) The legislature shall annually appropriate to the Michigan transportation fund created in 1951 PA 51, MCL 247.651 to 247.675, the amount determined as the rate differential certified by the state treasurer for the 12-month period ending on May 1 of the calendar year in which the fiscal year begins. Subsection (1)(c) and (d) shall not be effective beginning January of any fiscal year for which the appropriation required under this subsection has not been made by the first day of the fiscal year.~~

~~(12) As used in this section:~~

~~(a) "Biodiesel" means a fuel composed of mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats and, in accordance with standards specified by the American society for testing and materials, designated B100 and meeting the requirements of D-6751, as approved by the department of agriculture.~~

~~(b) "Ethanol" means denatured fuel ethanol that is suitable for use in a spark-ignition engine when mixed with gasoline so long as the mixture meets the American society for testing and materials D-5798 specifications.~~

**(9) BEGINNING WITH THE RATES IN EFFECT ON OCTOBER 1, 2015 AND OCTOBER 1 OF EACH YEAR THEREAFTER, THE DEPARTMENT SHALL PUBLISH NOTICE OF THE TAX RATES UNDER THIS SECTION NOT LATER THAN 30 DAYS BEFORE THE EFFECTIVE DATE OF THE RATES.**

**(10) A DETERMINATION BY THE DEPARTMENT OF THE AVERAGE WHOLESALE DIESEL FUEL PRICE, THE AVERAGE WHOLESALE GASOLINE PRICE, INFLATION RATE, RATE CEILING, RATE FLOOR, THE WHOLESALE DIESEL FUEL PRICE, THE WHOLESALE GASOLINE PRICE, OR THE TAX RATES UNDER THIS SECTION IS PRESUMED TO BE CORRECT AND SHALL NOT BE SET ASIDE UNLESS AN ADMINISTRATIVE TRIBUNAL OR A COURT OF COMPETENT JURISDICTION FINDS THE DEPARTMENT'S DETERMINATION TO BE CLEARLY ERRONEOUS.**

Sec. 22. (1) The tax imposed on gasoline shall be in lieu of all other taxes imposed or to be imposed upon the sale or use of gasoline by ~~the~~ **THIS** state or any political subdivision of this state except for the taxes imposed by the general sales tax act, 1933 PA 167, MCL 205.51 to 205.78, and the use tax act, 1937 PA 94, MCL 205.91 to 205.111.

(2) The tax imposed on diesel fuel **AND ALTERNATIVE FUEL** shall be imposed in lieu of all other taxes imposed or to be imposed upon the sale or use of diesel fuel **OR ALTERNATIVE FUEL** by ~~the~~**THIS** state or a political subdivision of the **THIS** state, except the taxes imposed by the general sales tax act, 1933 PA 167, MCL 205.51 to 205.78, the use tax act, 1937 PA 94, MCL 205.91 to 205.111, and the motor carrier fuel tax act, 1980 PA 119, MCL 207.211 to 207.234. The exception for taxes imposed by **THE GENERAL SALES TAX ACT**, 1933 PA 167, **MCL 205.51 TO 205.78**, and **THE USE TAX ACT**, 1937 PA 94, ~~shall~~**MCL 205.91 TO 205.111**, **DOES** not apply to diesel fuel used in passenger vehicles of a capacity of 10 or more operated for hire under a certificate issued by the state transportation department. **AS USED IN THIS SUBSECTION, "ALTERNATIVE FUEL" MEANS THAT TERM AS DEFINED IN SECTION 151.**

Sec. 40. (1) A person may seek a refund for tax paid under this act on motor fuel **OR ALTERNATIVE FUEL** that is **1 OR MORE OF THE FOLLOWING**:

(a) Accidentally contaminated by dye or another contaminant, including but not limited to gasoline that is mixed with diesel fuel, if the resulting product cannot be used to operate a motor vehicle on the public roads or highways without violating this act or other state or federal law.

(b) Accidentally lost or destroyed as a direct result of a sudden and unexpected casualty loss.

(2) ~~This~~**THE** refund **DESCRIBED IN SUBSECTION (1)** does not apply if the person **SEEKING THE REFUND** has been reimbursed for the cost of the tax by **ANY PERSON, INCLUDING, BUT NOT LIMITED TO**, an insurance company, for the loss or contamination. **IF A PERSON SEEKING A REFUND UNDER THIS SECTION IS REIMBURSED FOR ANY AMOUNT, THAT PERSON SHALL DEMONSTRATE TO THE DEPARTMENT THAT THE AMOUNT REIMBURSED DOES NOT INCLUDE TAX PAID UNDER THIS ACT ON THE MOTOR FUEL OR ALTERNATIVE FUEL IN ORDER TO BE ELIGIBLE FOR THE REFUND.**

Sec. 45. (1) An end user operating a motor vehicle with a common fuel supply tank from which motor fuel **OR ALTERNATIVE FUEL** is used both to propel the vehicle and to operate attached equipment may seek a refund for tax paid under this act on ~~diesel~~**MOTOR** fuel **OR ALTERNATIVE FUEL** consumed from that fuel supply tank in the amount of 15% of the tax paid.

(2) Notwithstanding subsection (1), an end user operating a motor vehicle with a common fuel supply tank from which ~~diesel~~**MOTOR** fuel **OR ALTERNATIVE FUEL** is used both to propel the vehicle and to operate attached equipment may seek a refund for tax paid under this act on ~~diesel~~**MOTOR** fuel **OR ALTERNATIVE FUEL** consumed from that fuel supply tank in an amount that is more than 15% of the tax paid if the operator provides evidence to the department that a refund or deduction of more than 15% is justified. The department shall determine the evidence that is necessary under this section to justify a refund of more than 15% of the tax paid.

(3) A refund provided under this section only applies to a motor vehicle that is used by the end user exclusively for business or other commercial purposes and does not apply to an automobile whether or not it is used by the end user for business or other commercial purposes.

(4) If the department determined before ~~the effective date of this section~~**APRIL 1, 2001** that a class of motor vehicles with attached equipment was eligible for a motor fuel refund in an amount different than 15% of the tax paid, that percentage ~~shall~~ **APPLIES** to those motor vehicles on and after ~~the effective date of this section~~**APRIL 1, 2001** unless, following notice and hearing, a later determination under subsection (2) is made.

(5) As used in this section: ~~,"attached equipment"~~

**(A) "ALTERNATIVE FUEL" MEANS THAT TERM AS DEFINED IN SECTION 151.**

**(B) "ATTACHED EQUIPMENT"** means equipment used by the end user in the regular course of his or her business that is powered by ~~diesel~~**MOTOR** fuel **OR ALTERNATIVE FUEL** from the common fuel supply tank. Attached equipment includes, but is not limited to, certain pumping, spraying, seeding, spreading, shredding, lifting, winching, dumping, cleaning, mixing, processing, and refrigeration equipment. Attached equipment does not include a heater, air conditioner, radio, or any other equipment that is used in the cab of the motor vehicle and does not include any other equipment that the department reasonably determines does not meet this definition.

Sec. 53. (1) A person shall not engage in a business activity in this state where a license is required by this act unless the person is licensed under this act.

(2) A person required to be licensed under this act shall apply for a license on a form or in a format prescribed by the department.

(3) An application for a license under this act may contain any information the department may reasonably require to administer this act including the applicant's federal identification number.

(4) The following persons currently licensed on ~~the effective date of this act~~**APRIL 1, 2001** are not required to obtain a new license under this act and shall be considered licensed under this act:

(a) A person licensed in this state as a supplier on ~~the effective date of this act~~**APRIL 1, 2001** shall be considered licensed as a supplier under this act but only if the person is a terminal operator or a position holder in a terminal on ~~the effective date of this act~~**APRIL 1, 2001**.

(b) A wholesale distributor who on ~~the effective date of this act~~**APRIL 1, 2001** possesses a valid exemption certificate issued under former section 12 of 1927 PA 150 shall be considered licensed as a fuel vendor under this act.



(c) A person licensed in this state as an exporter on ~~the effective date of this act~~ **APRIL 1, 2001** shall be considered licensed as an exporter under this act.

(d) A person licensed in this state as a liquid fuel hauler on ~~the effective date of this act~~ **APRIL 1, 2001** shall be considered licensed as a transporter under this act.

(e) A person licensed in this state as a retail dealer of diesel motor fuel on ~~the effective date of this act~~ **APRIL 1, 2001** shall be considered licensed as a retail diesel dealer under this act.

(5) A person considered licensed under subsection (4) is subject to all of the provisions of this act except those requiring an application for a new license.

(6) Except as otherwise provided in this act, a person who is engaged in more than 1 business activity for which a license is required under this act shall be licensed for each business activity.

(7) A person who is licensed as a supplier is not required to obtain a separate license for any other business activity for which a license is required under this act except as a retail diesel dealer or **AS an LPG-ALTERNATIVE FUEL dealer OR ALTERNATIVE FUEL COMMERCIAL USER** under sections 151 to 155.

~~(8) A person licensed in this state as an LPG dealer on the effective date of this act shall be considered licensed as an LPG dealer under this act.~~

~~(8) (9)~~ A person who negligently violates this section is subject to a civil penalty of \$1,000.00.

~~(9) (10)~~ A person who knowingly violates or knowingly aids and abets another to violate this section is guilty of a felony.

Sec. 63. (1) If an application and the accompanying bond or cash deposit, if any, are approved, the department shall issue a license to the applicant.

(2) A licensee shall retain a copy of its license at each of its business locations unless the department waives this requirement.

(3) A licensee is not required to renew a license and a license is valid unless and until it is suspended, canceled, or revoked for cause by the department, or discontinued by the licensee. However, the department may require a licensee to update the information required under section 53 **OR 153**.

(4) The department shall maintain a list containing the name and address of each person licensed under this act. The department may post the list on the department's website. The department shall regularly update the list in order to reflect the current status of a licensee.

Sec. 122. (1) A person shall not operate or maintain a motor vehicle on the public roads or highways of this state with dyed diesel fuel in the vehicle's fuel supply tank.

(2) This section does not apply to dyed diesel fuel used in any of the following:

(a) A motor vehicle owned and operated or leased and operated by the federal or state government or a political subdivision of this state.

(b) A motor vehicle used exclusively by the American red cross.

(c) An implement of husbandry.

(d) A passenger vehicle that has a capacity of 10 or more and that operates over regularly traveled routes expressly provided for in 1 or more of the following that applies to the passenger vehicle:

(i) A certificate of authority issued by the state transportation department.

(ii) A municipal franchise.

(iii) A municipal license.

(iv) A municipal permit.

(v) A municipal agreement.

(vi) A municipal grant.

(3) An owner, operator, or driver of a vehicle who uses dyed diesel fuel on the public roads or highways of this state is subject to a civil penalty of ~~\$200.00~~ **\$1,000.00** for each of the first 2 violations within a 12-month period. ~~For a third violation within a 12-month period, and VIOLATION, AND A CIVIL PENALTY OF \$5,000.00~~ for each subsequent violation. ~~thereafter, the person is subject to a civil penalty of \$5,000.00.~~ An owner, operator, or driver of a motor vehicle who knowingly violates the prohibition against the sale or use of dyed diesel fuel upon the public roads or highways of this state is subject to a civil penalty equal to that imposed by section 6714 of the internal revenue code.

Sec. 143. (1) Except as otherwise provided in **SUBSECTIONS (2) AND (3) AND** section 142, all sums of money received and collected under this act, except for license fees, and after the payment of the necessary expenses incurred in the enforcement of this act, are appropriated to and shall be deposited in the state treasury to the credit of the Michigan transportation fund.

**(2) FOR THE PERIOD BEGINNING ON OCTOBER 1, 2015 AND ENDING ON SEPTEMBER 30, 2016, THE FIRST \$400,000,000.00 RECEIVED AND COLLECTED UNDER THIS ACT IS APPROPRIATED TO AND SHALL BE DEPOSITED IN THE STATE TREASURY TO THE CREDIT OF THE MICHIGAN TRANSPORTATION FUND AND ALLOCATED AS PROVIDED IN SECTION 10(1) OF 1951 PA 51, MCL 247.660, AND THE REMAINDER SHALL BE ALLOCATED TO INDEBTEDNESS INCURRED FOR PROJECTS DESCRIBED IN SECTION 11 OF 1951 PA 51, MCL 247.661.**

**(3) FOR THE PERIOD BEGINNING ON OCTOBER 1, 2016 AND ENDING ON SEPTEMBER 30, 2017, THE FIRST \$800,000,000.00 RECEIVED AND COLLECTED UNDER THIS ACT IS APPROPRIATED TO AND SHALL**

BE DEPOSITED IN THE STATE TREASURY TO THE CREDIT OF THE MICHIGAN TRANSPORTATION FUND AND ALLOCATED AS PROVIDED IN SECTION 10(1) OF 1951 PA 51, MCL 247.660, AND THE REMAINDER SHALL BE ALLOCATED TO INDEBTEDNESS INCURRED FOR PROJECTS DESCRIBED IN SECTION 11 OF 1951 PA 51, MCL 247.661.

(4) THE MONEY REQUIRED TO BE ALLOCATED TO INDEBTEDNESS INCURRED FOR PROJECTS DESCRIBED IN SECTION 11 OF 1951 PA 51, MCL 247.661, UNDER SUBSECTIONS (2) AND (3) SHALL BE EXPENDED ON THAT INDEBTEDNESS NO LATER THAN SEPTEMBER 30, 2017.

Sec. 151. As used in this section and sections 152 to 155:

(A) "ALTERNATIVE FUEL" MEANS A GAS, LIQUID, OR OTHER FUEL THAT, WITH OR WITHOUT ADJUSTMENT OR MANIPULATION SUCH AS ADJUSTMENT OR MANIPULATION OF PRESSURE OR TEMPERATURE, IS CAPABLE OF BEING USED FOR THE GENERATION OF POWER TO PROPEL A MOTOR VEHICLE, INCLUDING, BUT NOT LIMITED TO, NATURAL GAS, COMPRESSED NATURAL GAS, LIQUEFIED NATURAL GAS, LIQUEFIED PETROLEUM GAS, HYDROGEN, HYDROGEN COMPRESSED NATURAL GAS, OR HYTHANE. ALTERNATIVE FUEL DOES NOT INCLUDE MOTOR FUEL, ELECTRICITY, LEADED RACING FUEL, OR AN EXCLUDED LIQUID.

(B) "ALTERNATIVE FUEL COMMERCIAL USER" MEANS A COMMERCIAL OR OTHER BUSINESS ENTERPRISE OR ENTITY THAT IS A CONSUMER OR END USER OF ALTERNATIVE FUEL TO PROPEL A MOTOR VEHICLE ON THE PUBLIC ROADS AND HIGHWAYS OF THIS STATE. ALTERNATIVE FUEL COMMERCIAL USER DOES NOT INCLUDE A PERSON LICENSED AS AN ALTERNATIVE FUEL DEALER UNDER SECTION 153.

(C) "ALTERNATIVE FUEL DEALER" MEANS A PERSON THAT IS LICENSED OR REQUIRED TO BE LICENSED UNDER SECTION 153, THAT IS IN THE BUSINESS OF SELLING AT RETAIL ALTERNATIVE FUEL, AND THAT USES ALTERNATIVE FUEL AS DESCRIBED IN SUBDIVISION (K).

(D) "ALTERNATIVE FUEL FILLING STATION" MEANS A MACHINE OR OTHER DEVICE LOCATED WITHIN THIS STATE THAT IS SUPPLIED WITH ALTERNATIVE FUEL AND THAT IS DESIGNED OR USED FOR PLACING OR DELIVERING ALTERNATIVE FUEL INTO THE FUEL SUPPLY TANK OF A MOTOR VEHICLE. AS USED IN THIS SUBDIVISION, "LOCATED WITHIN THIS STATE" INCLUDES, BUT IS NOT LIMITED TO, ALL OF THE FOLLOWING LOCATIONS:

(i) AN ALTERNATIVE FUEL DEALER'S PLACE OF BUSINESS.

(ii) A COMMERCIAL OR INDUSTRIAL ESTABLISHMENT OR FACILITY.

(iii) A RESIDENCE OR RESIDENTIAL PROPERTY.

(iv) A LANDFILL LICENSED OR REQUIRED TO BE LICENSED UNDER PART 115 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451, MCL 324.11501 TO 324.11554.

(E) "BRITISH THERMAL UNIT" OR "BTU" MEANS THE AMOUNT OF HEAT REQUIRED TO RAISE THE TEMPERATURE OF 1 POUND OF WATER 1 DEGREE FAHRENHEIT.

(F) "COMPRESSED NATURAL GAS" MEANS A MIXTURE OF HYDROCARBON GASES AND VAPORS THAT CONSISTS PRIMARILY OF METHANE IN GASEOUS FORM THAT HAS BEEN COMPRESSED FOR USE AS A FUEL TO PROPEL A MOTOR VEHICLE.

(G) "DIESEL BASE RATE" MEANS THE RATE PER GALLON ON DIESEL FUEL IN EFFECT FOR THE APPLICABLE PERIOD UNDER SECTION 8(1).

(H) "DIESEL GALLON EQUIVALENT" MEANS 1 OF THE FOLLOWING OR ITS METRIC EQUIVALENT:

(i) FOR COMPRESSED NATURAL GAS, 6.380 POUNDS.

(ii) FOR HYDROGEN, THE VOLUME OR WEIGHT THAT IS EQUAL TO 128,450 BTUS. FOR PURPOSES OF THIS SUBDIVISION, THERE ARE 27,000 BTUS PER 100 STANDARD CUBIC FEET, AND 480.11 STANDARD CUBIC FEET PER DIESEL GALLON EQUIVALENT.

(iii) FOR HYDROGEN COMPRESSED NATURAL GAS, THE VOLUME OR WEIGHT THAT IS EQUAL TO 128,450 BTUS. FOR PURPOSES OF THIS SUBDIVISION, THERE ARE 79,800 BTUS PER 100 STANDARD CUBIC FEET, AND 162.44 STANDARD CUBIC FEET PER DIESEL GALLON EQUIVALENT.

(iv) FOR LIQUEFIED NATURAL GAS, 6.060 POUNDS.

(I) "LIQUEFIED NATURAL GAS" MEANS METHANE OR NATURAL GAS IN THE FORM OF A CRYOGENIC OR REFRIGERATED LIQUID THAT IS SUITABLE FOR USE OR USED AS FUEL TO PROPEL A MOTOR VEHICLE.

(J) (a) "Liquefied petroleum gas" means gases derived from petroleum or natural gases which ~~THAT~~ are in the gaseous state at normal atmospheric temperature and pressure, but which ~~THAT~~ may be maintained in the liquid state at normal atmospheric temperature by suitable pressure. Liquefied petroleum gas includes those products predominately composed of propane, propylene, butylene, butane, and similar products. LIQUEFIED PETROLEUM GAS DOES NOT INCLUDE COMPRESSED NATURAL GAS, LIQUEFIED NATURAL GAS, HYDROGEN, OR HYTHANE.

(b) "LPG dealer" means a person who is licensed under this chapter to use liquefied petroleum gas.

**(K)** ~~(e)~~ “Use”, “used”, or “uses” means any of the following:

(i) Selling or delivering ~~liquefied petroleum gas~~ **ALTERNATIVE FUEL** not otherwise subject to tax under this act, either by placing it into a permanently attached fuel supply tank of a motor vehicle, or exchanging or replacing of the fuel supply tank of a motor vehicle.

(ii) Delivery of ~~liquefied petroleum gas~~ **ALTERNATIVE FUEL** into storage, devoted exclusively to the storage of ~~liquefied petroleum gas~~ **ALTERNATIVE FUEL** to be consumed in motor vehicles on the public roads or highways **OF THIS STATE**.

(iii) Withdrawing ~~liquefied petroleum gas~~ **ALTERNATIVE FUEL** from the cargo tank of a truck, trailer or semi-trailer for the operation of a motor vehicle upon the public roads and highways of this state, whether used in vapor or liquid form.

**(iv) PLACING OR DELIVERING ALTERNATIVE FUEL INTO THE FUEL SUPPLY TANK OF A MOTOR VEHICLE BY OR THROUGH THE OPERATION OF AN ALTERNATIVE FUEL FILLING STATION OR BY ANY OTHER MEANS NOT INVOLVING THE DELIVERY, RECEIPT, OR PURCHASE OF ALTERNATIVE FUEL FROM AN ALTERNATIVE FUEL DEALER OR ANY OTHER MEANS NOT OTHERWISE DESCRIBED IN SUBPARAGRAPHS (i) TO (iii).**

Sec. 152. (1) ~~A~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION AND SECTIONS 154 AND 155**, A tax at a ~~THE~~ rate of ~~15 cents per gallon~~ **EQUAL TO THE DIESEL BASE RATE** is imposed upon all ~~liquefied petroleum gas~~ **ALTERNATIVE FUEL** used in this state. ~~The~~ **EXCEPT AS PROVIDED IN SECTION 154 OR 155**, THE tax shall be paid at the times and in the manner specified in this section. The tax on ~~liquefied petroleum gas~~ **ALTERNATIVE FUEL** sold or delivered either by placing **IT** into a permanently attached fuel supply tank on a motor vehicle, or **BY** exchanging or replacing the fuel supply tank of a motor vehicle, shall be collected by the ~~LPG~~ **ALTERNATIVE FUEL** dealer from the purchaser, **CONSUMER, OR END USER** and paid over ~~quarterly~~ **MONTHLY** to the department as provided in this act. ~~Liquefied petroleum gas~~ **ALTERNATIVE FUEL** delivered in this state into the storage facility of any person when the exclusive purpose of the storage facility is for resale or use in a motor vehicle on the public roads or highways of this state, shall, upon delivery to storage facility, be subject to tax. An ~~LPG~~ **ALTERNATIVE FUEL** dealer shall, upon delivery of the ~~liquefied petroleum gas~~ **ALTERNATIVE FUEL**, collect and remit the tax to the department as provided in this act. A person shall not operate a motor vehicle on the public roads or highways of this state from the cargo containers of a truck, trailer, or semitrailer with ~~liquefied petroleum gas~~ **ALTERNATIVE FUEL** in vapor or liquid form, **AS APPLICABLE**, except when the **ALTERNATIVE FUEL** in the liquid or vapor phase is withdrawn from the cargo container for use in motor vehicles through a permanently installed and approved metering device. The tax on ~~liquefied petroleum gas~~ **ALTERNATIVE FUEL** withdrawn from a cargo container through a permanently installed and approved metering device shall apply in accordance with measured gallons **OR GALLON EQUIVALENTS, IF APPLICABLE**, as reflected by meter reading, and shall be paid ~~quarterly~~ **MONTHLY** by the ~~LPG~~ **ALTERNATIVE FUEL** dealer to the department as provided in this act.

**(2) THE RATE OF TAX ON THE FOLLOWING ALTERNATIVE FUELS SHALL BE THE DIESEL BASE RATE PER DIESEL GALLON EQUIVALENT OR FRACTIONAL PART THEREOF ROUNDED TO THE NEAREST 1/10 OF 1 GALLON:**

**(A) COMPRESSED NATURAL GAS.**

**(B) HYDROGEN.**

**(C) HYDROGEN COMPRESSED NATURAL GAS.**

**(D) LIQUEFIED NATURAL GAS.**

**(3) THE TAX IMPOSED UNDER THIS SECTION DOES NOT APPLY TO AN ALTERNATIVE FUEL COMMERCIAL USER DESCRIBED IN SECTION 154(2) UNTIL JANUARY 1, 2016.**

**(4) THE TAX IMPOSED UNDER THIS SECTION DOES NOT APPLY TO A PERSON DESCRIBED IN SECTION 154(3) UNTIL JULY 1, 2016.**

Sec. 153. (1) A person shall not act as an ~~LPG~~ **ALTERNATIVE FUEL** dealer **OR AN ALTERNATIVE FUEL COMMERCIAL USER** unless the person is licensed under this act.

(2) To obtain a license **AS AN ALTERNATIVE FUEL DEALER OR AN ALTERNATIVE FUEL COMMERCIAL USER**, an applicant shall file with the department an application upon a form or in a format prescribed by the department. The application shall include the name and address of the applicant and of each place of business to be operated by the applicant at which ~~liquefied petroleum gas~~ **ALTERNATIVE FUEL** will be used and other information the department may reasonably require.

(3) At the time of applying for the license, an applicant **FOR AN ALTERNATIVE FUEL DEALER LICENSE** shall pay to the department a license fee of ~~\$50.00~~ **\$500.00**.

**(4) AT THE TIME OF APPLYING FOR THE LICENSE, AN APPLICANT FOR AN ALTERNATIVE FUEL COMMERCIAL USER LICENSE SHALL PAY TO THE DEPARTMENT A LICENSE FEE OF \$50.00.**

~~(4)~~ An applicant for an ~~LPG dealer~~ **A license** **OR A LICENSEE UNDER THIS SECTION** is subject to the general licensing and bonding requirements of this act.

~~(5)~~ A person licensed in this state as an ~~LPG dealer~~ on the effective date of this act shall be considered licensed as an ~~LPG dealer~~ under this act.

Sec. 154. (1) For the purpose of determining the amount of tax payable to the department, an ~~LPG-ALTERNATIVE FUEL~~ dealer shall, on or before the twentieth day of each calendar month, following the close of the reporting calendar quarter, file with the department on a form or in a format prescribed by the department a report which shall include ~~THAT INCLUDES~~ the number of gallons **OR GALLON EQUIVALENTS, IF APPLICABLE,** of liquefied petroleum gas ~~ALTERNATIVE FUEL~~ used by the ~~LPG-ALTERNATIVE FUEL~~ dealer during the preceding calendar quarter, ~~MONTH,~~ together with any other information the department may require. An ~~LPG-ALTERNATIVE FUEL~~ dealer at the time of filing the report shall pay to the department at the time of filing the report the full amount of the tax owed.

(2) **BEGINNING ON JANUARY 1, 2016, FOR THE PURPOSE OF DETERMINING THE AMOUNT OF TAX OWED TO THE DEPARTMENT, AN ALTERNATIVE FUEL COMMERCIAL USER THAT USES ALTERNATIVE FUEL AS DESCRIBED IN SECTION 151(K) UPON WHICH THE TAX IMPOSED UNDER SECTION 152 HAS NOT BEEN COLLECTED BY OR PAID TO AN ALTERNATIVE FUEL DEALER SHALL, ON OR BEFORE THE TWENTIETH DAY OF EACH MONTH, FILE WITH THE DEPARTMENT A REPORT THAT INCLUDES THE NUMBER OF GALLONS OR GALLON EQUIVALENTS, IF APPLICABLE, OF THE ALTERNATIVE FUEL DESCRIBED IN THIS SUBSECTION THAT WAS USED OR CONSUMED BY THE ALTERNATIVE FUEL COMMERCIAL USER DURING THE PRECEDING CALENDAR MONTH, TOGETHER WITH ANY OTHER INFORMATION THE DEPARTMENT REQUIRES. AN ALTERNATIVE FUEL COMMERCIAL USER SHALL PAY THE FULL AMOUNT OF THE TAX DUE TO THE DEPARTMENT AT THE TIME OF FILING THE REQUIRED REPORT.**

(3) **BEGINNING ON JULY 1, 2016, FOR THE PURPOSE OF DETERMINING THE AMOUNT OF TAX OWED TO THE DEPARTMENT, A PERSON THAT IS NOT AN ALTERNATIVE FUEL DEALER OR AN ALTERNATIVE FUEL COMMERCIAL USER SHALL PAY THE TAX IMPOSED UNDER SECTION 152 ON ALTERNATIVE FUEL FOR WHICH THE TAX HAS NOT BEEN COLLECTED BY OR PAID TO AN ALTERNATIVE FUEL DEALER, AND SHALL FILE WITH THE DEPARTMENT ON OR BEFORE THE TWENTIETH DAY FOLLOWING THE END OF EACH QUARTER A FORM THAT INDICATES THE NUMBER OF GALLONS OR GALLON EQUIVALENTS, IF APPLICABLE, USED OR CONSUMED BY THAT PERSON DURING THE PRECEDING CALENDAR QUARTER. A PERSON DESCRIBED IN THIS SUBSECTION SHALL PAY TO THE DEPARTMENT THE FULL AMOUNT OF THE TAX DUE AT THE TIME OF FILING THE REQUIRED FORM.**

(4) **EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A PERSON THAT USES ALTERNATIVE FUEL FOR A TAXABLE PURPOSE AND DOES NOT PAY THE TAX IMPOSED UNDER THIS SECTION SHALL PAY TO THE DEPARTMENT THE TAX IMPOSED UNDER SECTION 152, ALONG WITH ANY APPLICABLE PENALTIES OR INTEREST, AT THE TIME AND IN THE MANNER PRESCRIBED BY THE DEPARTMENT.**

Sec. 155. (1) Each of the following persons is entitled to a refund of the tax on liquefied petroleum gas imposed by this act:

(1) (a) ~~A person consuming liquefied petroleum gas-ALTERNATIVE FUEL for any purpose other than the operation of~~ **TO OPERATE** a motor vehicle on the public roads or highways of this state **MAY SEEK A REFUND OF THE TAX ON ALTERNATIVE FUEL IMPOSED BY THIS ACT, INCLUDING A REFUND AS PROVIDED IN SECTION 45, IF THAT PERSON HAS ALREADY PAID THE TAX IMPOSED UNDER SECTION 152 ON THAT ALTERNATIVE FUEL.**

(b) ~~The federal government, state government, or a political subdivision of this state consuming liquefied petroleum gas in a motor vehicle owned and operated or leased and operated by the federal government, state government, or political subdivision of this state.~~

(c) ~~A person consuming liquefied petroleum gas in the operation of a passenger vehicle of a capacity of 5 or more under a municipal franchise, license, permit, agreement, or grant, upon which gas the tax imposed by this section has been paid.~~

(2) To obtain a refund **UNDER THIS SECTION,** a person shall file a claim with the department within 18 months after the date of purchase, as shown on the invoice and shall comply with the requirements set forth in section 48.

(3) A claim for refund **UNDER THIS SECTION** shall be on a form or in a format prescribed by the department and shall have attached the original invoice that was provided to the purchaser.

(4) **AN ALTERNATIVE FUEL IS EXEMPT FROM THE TAX IMPOSED BY THIS ACT AND THE TAX IMPOSED BY THIS ACT SHALL NOT BE COLLECTED BY AN ALTERNATIVE FUEL DEALER IF ANY OF THE FOLLOWING APPLY:**

(A) **THE ALTERNATIVE FUEL IS SOLD DIRECTLY BY AN ALTERNATIVE FUEL DEALER TO THE FEDERAL GOVERNMENT, THE STATE GOVERNMENT, OR A POLITICAL SUBDIVISION OF THIS STATE FOR USE IN A MOTOR VEHICLE OWNED AND OPERATED OR LEASED AND OPERATED BY THE FEDERAL GOVERNMENT, STATE GOVERNMENT, OR POLITICAL SUBDIVISION OF THIS STATE.**

(B) **THE ALTERNATIVE FUEL IS SOLD DIRECTLY BY AN ALTERNATIVE FUEL DEALER TO A NONPROFIT, PRIVATE, PAROCHIAL, OR DENOMINATIONAL SCHOOL, COLLEGE, OR UNIVERSITY AND IS USED IN A SCHOOL BUS OWNED AND OPERATED OR LEASED AND OPERATED BY THE EDUCATIONAL INSTITUTION**



**THAT IS USED IN THE TRANSPORTATION OF STUDENTS TO AND FROM THE INSTITUTION OR TO AND FROM SCHOOL FUNCTIONS AUTHORIZED BY THE ADMINISTRATION OF THE INSTITUTION.**

**(C) THE ALTERNATIVE FUEL IS IMPORTED INTO THIS STATE IN THE FUEL SUPPLY TANK OF A MOTOR VEHICLE USED SOLELY FOR NONCOMMERCIAL PURPOSES, IF THE AGGREGATE CAPACITY OF THE MOTOR VEHICLE'S FUEL SUPPLY TANK DOES NOT EXCEED 30 GALLONS OR THE EQUIVALENT OF 30 GALLONS.**

**(5) BOTH OF THE FOLLOWING ARE EXEMPT FROM THE TAX ON ALTERNATIVE FUEL IMPOSED BY THIS ACT:**

**(A) THE FEDERAL GOVERNMENT, STATE GOVERNMENT, OR A POLITICAL SUBDIVISION OF THIS STATE CONSUMING ALTERNATIVE FUEL IN A MOTOR VEHICLE OWNED AND OPERATED OR LEASED AND OPERATED BY THE FEDERAL GOVERNMENT, STATE GOVERNMENT, OR A POLITICAL SUBDIVISION OF THIS STATE.**

**(B) A NONPROFIT, PRIVATE, PAROCHIAL, OR DENOMINATIONAL SCHOOL, COLLEGE, OR UNIVERSITY CONSUMING ALTERNATIVE FUEL IN A SCHOOL BUS OWNED AND OPERATED OR LEASED AND OPERATED BY THE NONPROFIT, PRIVATE, PAROCHIAL, OR DENOMINATIONAL SCHOOL, COLLEGE, OR UNIVERSITY.**

**(6) ~~(4)~~ A person who THAT sells liquefied petroleum gas-ALTERNATIVE FUEL shall provide the purchaser with an invoice OR RECEIPT showing the amount EXPRESSED IN GALLONS OR GALLON EQUIVALENTS, AS APPLICABLE, of gas-ALTERNATIVE FUEL purchased, the date of purchase, and the amount of tax paid.**

**(7) AN ALTERNATIVE FUEL DEALER THAT SELLS ALTERNATIVE FUEL AT RETAIL SHALL CLEARLY LIST IN PLAIN VIEW OF THE CUSTOMER THE PRICE OF THE ALTERNATIVE FUEL IN DIESEL GALLON EQUIVALENTS, AS APPLICABLE, ON THE ALTERNATIVE FUEL FILLING STATION AND ANY OTHER MARKINGS OR INFORMATION REQUIRED BY LAW.**

**(8) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A PERSON THAT USES OR CONSUMES ALTERNATIVE FUEL FOR A TAXABLE PURPOSE AND DOES NOT PAY THE TAX IMPOSED UNDER SECTION 154 IS LIABLE FOR THE PAYMENT OF THAT TAX AND SHALL PAY TO THE DEPARTMENT THE TAX IMPOSED UNDER SECTION 152 AND ANY APPLICABLE PENALTIES OR INTEREST, AT THE TIME AND IN THE MANNER PRESCRIBED BY THE DEPARTMENT.**

Enacting section 1. This amendatory act takes effect October 1, 2015.

Enacting section 2. This amendatory act does not take effect unless House Joint Resolution UU of the 97th Legislature becomes a part of the state constitution of 1963 as provided in section 1 of article XII of the state constitution of 1963.

Enacting section 3. This amendatory act does not take effect unless House Bill No. 4539 of the 97th Legislature is enacted into law.

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

A bill to amend 2000 PA 403, entitled "An act to prescribe a tax on the sale and use of certain types of fuel in motor vehicles on the public roads or highways of this state and on certain other types of gas; to prescribe the manner and the time of collection and payment of this tax and the duties of officials and others pertaining to the payment and collection of this tax; to provide for the licensing of persons involved in the sale, use, or transportation of motor fuel and the collection and payment of the tax imposed by this act; to prescribe fees; to prescribe certain other powers and duties of certain state agencies and other persons; to provide for exemptions and refunds and for the disposition of the proceeds of this tax; to provide for appropriations from the proceeds of this tax; to prescribe remedies and penalties for the violation of this act; and to repeal acts and parts of acts," by amending sections 2, 3, 5, 6, 8, 22, 40, 45, 53, 63, 122, 143, 151, 152, 153, 154, and 155 (MCL 207.1002, 207.1003, 207.1005, 207.1006, 207.1008, 207.1022, 207.1040, 207.1045, 207.1053, 207.1063, 207.1122, 207.1143, 207.1151, 207.1152, 207.1153, 207.1154, and 207.1155), sections 2, 5, and 122 as amended by 2002 PA 668, section 3 as amended by 2006 PA 277, and section 8 as amended by 2006 PA 268.

Jim Stamas  
Rob VerHeulen  
Marilyn Lane  
Conferees for the House

Arlan B. Meekhoff  
Mike Kowall  
Jim Ananich  
Conferees for the Senate

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 921****Yeas—23**

Ananich	Hansen	Jones	Richardville
Bieda	Hood	Kahn	Smith
Booher	Hopgood	Kowall	Walker
Casperson	Hunter	Meekhof	Warren
Caswell	Jansen	Nofs	Whitmer
Gregory	Johnson	Pappageorge	

**Nays—15**

Anderson	Green	Moolenaar	Rocca
Brandenburg	Hildenbrand	Pavlov	Schuitmaker
Colbeck	Hune	Proos	Young
Emmons	Marleau	Robertson	

**Excused—0****Not Voting—0**

In The Chair: Hansen

By unanimous consent the Senate returned to the order of  
**Messages from the House**

**House Bill No. 5493, entitled**

A bill to amend 1980 PA 119, entitled “Motor carrier fuel tax act,” by amending sections 2 and 6a (MCL 207.212 and 207.216a), section 2 as amended by 2006 PA 346 and section 6a as added by 1996 PA 584.

The House of Representatives has substituted (H-4) the Senate substitute (S-1).

The House of Representatives has concurred in the Senate substitute (S-1) as substituted (H-4) and amended the title to read as follows:

A bill to amend 1980 PA 119, entitled “An act to prescribe a privilege tax for the use of public roads and highways of this state by motor carriers by imposing a specific tax upon the use of motor fuel within this state; to provide for certain credits against this tax and certain mechanisms for paying, collecting, and enforcing this tax; to provide for the licensing of motor carriers and for exemptions from licensure; to require the keeping and providing for the examination of certain reports; to provide review procedures for the assessment of the tax and revocation of a license; to impose certain duties upon and confer certain powers to certain state departments and agencies; to prescribe certain penalties for the violation of this act; and to make appropriations,” by amending sections 1, 2, 2a, 4, 5, 6a, 8, 9, and 10 (MCL 207.211, 207.212, 207.212a, 207.214, 207.215, 207.216a, 207.218, 207.219, and 207.220), section 1 as amended by 2002 PA 667, sections 2 and 4 as amended by 2006 PA 346, section 2a as added by 1994 PA 353, section 5 as amended and section 6a as added by 1996 PA 584, and section 8 as amended by 2006 PA 449.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Meekhof moved that the rule be suspended.

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

The question being on concurring in the House substitute made to the Senate substitute,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 922****Yeas—25**

Ananich	Hansen	Jones	Pappageorge
Anderson	Hood	Kahn	Richardville

Bieda	Hopgood	Kowall	Smith
Booher	Hunter	Marleau	Walker
Casperson	Jansen	Meekhof	Warren
Caswell	Johnson	Nofs	Whitmer
Gregory			

**Nays—13**

Brandenburg	Hildenbrand	Pavlov	Rocca
Colbeck	Hune	Proos	Schuitmaker
Emmons	Moolenaar	Robertson	Young
Green			

**Excused—0****Not Voting—0**

In The Chair: Hansen

The Senate agreed to the title as amended.

**Senate Bill No. 423, entitled**

A bill to amend 1976 PA 451, entitled “The revised school code,” by amending section 1278 (MCL 380.1278), as amended by 2004 PA 596, and by adding sections 1167 and 1279h.

The House of Representatives has substituted (H-3) the bill.

The House of Representatives has passed the bill as substituted (H-3) and amended the title to read as follows:

A bill to amend 1976 PA 451, entitled “An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies, intermediate school districts, and other public school entities; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, intermediate school districts, and other public school entities; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts,” (MCL 380.1 to 380.1852) by adding section 1281a.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Meekhof moved that the rule be suspended.

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

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 923****Yeas—20**

Ananich	Hood	Kahn	Rocca
Anderson	Hopgood	Kowall	Smith
Bieda	Hunter	Meekhof	Warren
Caswell	Johnson	Pappageorge	Whitmer
Gregory	Jones	Richardville	Young

**Nays—18**

Booher	Green	Marleau	Proos
Brandenburg	Hansen	Moolenaar	Robertson
Casperson	Hildenbrand	Nofs	Schuitmaker
Colbeck	Hune	Pavlov	Walker
Emmons	Jansen		

**Excused—0****Not Voting—0**

In The Chair: Hansen

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was not concurred in, 2/3 of the members serving not voting therefor.

The Senate agreed to the title as amended.

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

Senator Colbeck moved that his name be removed as prime sponsor of the bill.

The motion prevailed.

Senators Moolenaar, Robertson, Green, Proos, Schuitmaker, Emmons and Jansen moved that their names be removed as co-sponsors of the bill.

The motion prevailed.

By unanimous consent the Senate proceeded to the order of

**Introduction and Referral of Bills****House Joint Resolution UU, entitled**

A joint resolution proposing an amendment to the state constitution of 1963, by amending sections 8, 10, and 11 of article IX, to increase the maximum sales tax rate and use tax rate permitted under law, to exempt gasoline and diesel fuel from the sales tax and use tax, to dedicate a portion of sales tax revenue and use tax revenue, and to revise the permissible uses for payments from the school aid fund.

The House of Representatives has adopted the joint resolution by a 2/3 vote.

The joint resolution was read a first and second time by title.

Senator Meekhof moved that rule 3.203 be suspended and that the joint resolution be referred to the Committee of the Whole and placed on the order of General Orders.

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

By unanimous consent the Senate returned to the order of

**Motions and Communications**

Senator Meekhof moved that the Committee on Infrastructure Modernization be discharged from further consideration of the following bill:

**House Bill No. 5492, entitled**

A bill to amend 1937 PA 94, entitled "Use tax act," by amending section 21 (MCL 205.111), as amended by 2010 PA 37.

The motion prevailed, a majority of the members serving voting therefor, and the bill was placed on the order of General Orders.

Senator Meekhof moved that the rules be suspended and that the following joint resolution and bill, now on the order of General Orders, be placed on the General Orders calendar for consideration today:

**House Joint Resolution UU****House Bill No. 5492**

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



By unanimous consent the Senate returned to the order of  
**General Orders**

Senator Meekhof moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the Assistant President pro tempore, Senator Hansen, designated Senator Hildenbrand as Chairperson.

### **Recess**

Senator Meekhof moved that the Committee of the Whole recess subject to the call of the Chairperson.  
The motion prevailed, the time being 3:08 a.m.

3:13 a.m.

The Committee of the Whole was called to order by the Chairperson, Senator Hildenbrand.

After some time spent therein, the Committee arose; and, the Assistant President pro tempore, Senator Hansen, having resumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following joint resolution:

#### **House Joint Resolution UU, entitled**

A joint resolution proposing an amendment to the state constitution of 1963, by amending sections 8, 10, and 11 of article IX, to increase the maximum sales tax rate and use tax rate permitted under law, to exempt gasoline and diesel fuel from the sales tax and use tax, to dedicate a portion of sales tax revenue and use tax revenue, and to revise the permissible uses for payments from the school aid fund.

The joint resolution was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

#### **House Bill No. 5492, entitled**

A bill to amend 1937 PA 94, entitled "Use tax act," by amending section 21 (MCL 205.111), as amended by 2010 PA 37.

Substitute (S-4).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

### **Recess**

Senator Meekhof moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 3:17 a.m.

3:36 a.m.

The Senate was called to order by the Assistant President pro tempore, Senator Hansen.

By unanimous consent the Senate returned to the order of  
**Messages from the House**

Senator Meekhof moved that the following bills be placed at the head of the Messages from the House calendar:

**Senate Bill No. 269**

**Senate Bill No. 270**

**Senate Bill No. 271**

The motion prevailed.

**Senate Bill No. 269, entitled**

A bill to amend 2000 PA 489, entitled "Michigan trust fund act," by amending sections 7 and 8 (MCL 12.257 and 12.258), section 7 as amended by 2009 PA 183 and section 8 as amended by 2011 PA 254.

Substitute (H-3).

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 924****Yeas—31**

Ananich	Gregory	Jones	Richardville
Anderson	Hansen	Kahn	Robertson
Bieda	Hildenbrand	Kowall	Rocca
Booher	Hood	Marleau	Smith
Casperson	Hopgood	Meekhof	Warren
Caswell	Hunter	Nofs	Whitmer
Emmons	Jansen	Pappageorge	Young
Green	Johnson	Proos	

**Nays—7**

Brandenburg	Hune	Pavlov	Walker
Colbeck	Moolenaar	Schuitmaker	

**Excused—0****Not Voting—0**

In The Chair: Hansen

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

The Senate agreed to the title as amended.

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

**Senate Bill No. 270, entitled**

A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," by amending sections 88a, 88b, and 89c (MCL 125.2088a, 125.2088b, and 125.2089c), section 88a as amended by 2011 PA 22, section 88b as amended by 2012 PA 145, and section 89c as added by 2008 PA 98.

Substitute (H-2).

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 925****Yeas—30**

Ananich	Hansen	Kahn	Richardville
Anderson	Hildenbrand	Kowall	Robertson
Bieda	Hood	Marleau	Rocca

Booher	Hopgood	Meekhof	Smith
Casperson	Hunter	Nofs	Walker
Emmons	Jansen	Pappageorge	Warren
Green	Johnson	Proos	Whitmer
Gregory	Jones		

**Nays—7**

Brandenburg	Colbeck	Moolenaar	Schuitmaker
Caswell	Hune	Pavlov	

**Excused—0****Not Voting—1**

Young

In The Chair: Hansen

The question being on concurring in the committee recommendation to give the bill immediate effect,  
 The recommendation was concurred in, 2/3 of the members serving voting therefor.  
 The Senate agreed to the full title.  
 The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

**Senate Bill No. 271, entitled**

A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," by amending sections 88r, 90a, 90b, 90c, and 90d (MCL 125.2088r, 125.2090a, 125.2090b, 125.2090c, and 125.2090d), section 88r as added by 2011 PA 250 and sections 90a, 90b, 90c, and 90d as amended by 2012 PA 395.

Substitute (H-4).

The question being on concurring in the substitute made to the bill by the House,  
 The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 926****Yeas—30**

Ananich	Hansen	Kahn	Richardville
Anderson	Hildenbrand	Kowall	Robertson
Bieda	Hood	Marleau	Rocca
Booher	Hopgood	Meekhof	Smith
Casperson	Hunter	Nofs	Warren
Emmons	Jansen	Pappageorge	Whitmer
Green	Johnson	Proos	Young
Gregory	Jones		

**Nays—8**

Brandenburg	Colbeck	Moolenaar	Schuitmaker
Caswell	Hune	Pavlov	Walker

**Excused—0**

**Not Voting—0**

In The Chair: Hansen

The question being on concurring in the committee recommendation to give the bill immediate effect,  
The recommendation was concurred in, 2/3 of the members serving voting therefor.  
The Senate agreed to the full title.

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

The President pro tempore, Senator Schuitmaker, assumed the Chair.

**Senate Bill No. 81, entitled**

A bill to amend 1976 PA 451, entitled "The revised school code," by amending sections 1254 and 1814 (MCL 380.1254 and 380.1814), section 1254 as amended by 1995 PA 289 and section 1814 as added by 2004 PA 417.

The House of Representatives has amended the bill as follows:

1. Amend page 5, line 10, by striking out all of enacting section 2.

The House of Representatives has passed the bill as amended, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Meekhof moved that the rule be suspended.

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

The question being on concurring in the amendment made to the bill by the House,

The amendment was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 927**

**Yeas—34**

Ananich	Hansen	Kowall	Richardville
Anderson	Hildenbrand	Marleau	Rocca
Bieda	Hood	Meekhof	Schuitmaker
Booher	Hopgood	Moolenaar	Smith
Casperson	Hunter	Nofs	Walker
Caswell	Jansen	Pappageorge	Warren
Emmons	Johnson	Pavlov	Whitmer
Green	Jones	Proos	Young
Gregory	Kahn		

**Nays—4**

Brandenburg	Colbeck	Hune	Robertson
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**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,  
The recommendation was concurred in, 2/3 of the members serving voting therefor.  
The Senate agreed to the full title.  
The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

**Senate Bill No. 272, entitled**

A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," by amending sections 4, 5, and 23 (MCL 125.2004, 125.2005, and 125.2023), section 4 as amended by 2012 PA 145, section 5 as amended by 2011 PA 251, and section 23 as amended by 2009 PA 85, and by adding section 7b.

The House of Representatives has substituted (H-1) the bill.

The House of Representatives has passed the bill as substituted (H-1), ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Meekhof moved that the rule be suspended.

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

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 928**

**Yeas—31**

Ananich	Gregory	Johnson	Richardville
Anderson	Hansen	Jones	Robertson
Bieda	Hildenbrand	Kahn	Rocca
Booher	Hood	Kowall	Smith
Casperson	Hopgood	Marleau	Warren
Caswell	Hune	Nofs	Whitmer
Emmons	Hunter	Pappageorge	Young
Green	Jansen	Proos	

**Nays—7**

Brandenburg	Meekhof	Pavlov	Walker
Colbeck	Moolenaar	Schuitmaker	

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,  
The recommendation was concurred in, 2/3 of the members serving voting therefor.  
The Senate agreed to the full title.  
The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

**Senate Bill No. 695, entitled**

A bill to amend 1867 PA 35, entitled "Nonprofit street railway act," by amending section 7 (MCL 472.7), as amended by 2008 PA 481.

The House of Representatives has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The question being on concurring in the committee recommendation to give the bill immediate effect,  
 The recommendation was concurred in, 2/3 of the members serving voting therefor.  
 The Senate agreed to the full title.  
 The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

**Senate Bill No. 696, entitled**

A bill to amend 1867 PA 35, entitled “Nonprofit street railway act,” by amending sections 13 and 15 (MCL 472.13 and 472.15), as amended by 2008 PA 481.

The House of Representatives has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The question being on concurring in the committee recommendation to give the bill immediate effect,  
 The recommendation was concurred in, 2/3 of the members serving voting therefor.  
 The Senate agreed to the full title.  
 The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

**Senate Bill No. 697, entitled**

A bill to amend 1893 PA 206, entitled “The general property tax act,” (MCL 211.1 to 211.155) by adding section 7tt.  
 The House of Representatives has substituted (H-1) the bill.

The House of Representatives has passed the bill as substituted (H-1), ordered that it be given immediate effect and amended the title to read as follows:

A bill to amend 1893 PA 206, entitled “An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal acts and parts of acts,” (MCL 211.1 to 211.155) by adding section 7uu.

Pending the order that, under rule 3.202, the bill be laid over one day,  
 Senator Meekhof moved that the rule be suspended.  
 The motion prevailed, a majority of the members serving voting therefor.  
 The question being on concurring in the substitute made to the bill by the House,  
 The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 929**

**Yeas—36**

Ananich	Gregory	Jones	Proos
Anderson	Hansen	Kahn	Richardville
Bieda	Hildenbrand	Kowall	Rocca
Booher	Hood	Marleau	Schuitmaker
Brandenburg	Hopgood	Meekhof	Smith
Casperson	Hune	Moolenaar	Walker
Colbeck	Hunter	Nofs	Warren
Emmons	Jansen	Pappageorge	Whitmer
Green	Johnson	Pavlov	Young

**Nays—1**

Caswell

**Excused—0**

**Not Voting—1**

Robertson

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,  
The recommendation was concurred in, 2/3 of the members serving voting therefor.  
The Senate agreed to the title as amended.  
The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

**Senate Bill No. 786, entitled**

A bill to amend 1893 PA 206, entitled “The general property tax act,” (MCL 211.1 to 211.155) by adding section 7uu.  
The House of Representatives has substituted (H-2) the bill.

The House of Representatives has passed the bill as substituted (H-2), ordered that it be given immediate effect and amended the title to read as follows:

A bill to amend 1893 PA 206, entitled “An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal acts and parts of acts,” (MCL 211.1 to 211.155) by adding section 7ww.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Meekhof moved that the rule be suspended.

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

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 930****Yeas—37**

Ananich	Hansen	Kahn	Richardville
Anderson	Hildenbrand	Kowall	Robertson
Bieda	Hood	Marleau	Rocca
Booher	Hopgood	Meekhof	Schuitmaker
Brandenburg	Hune	Moolenaar	Smith
Casperson	Hunter	Nofs	Walker
Caswell	Jansen	Pappageorge	Warren
Emmons	Johnson	Pavlov	Whitmer
Green	Jones	Proos	Young
Gregory			

**Nays—1**

Colbeck

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,  
The recommendation was concurred in, 2/3 of the members serving voting therefor.  
The Senate agreed to the title as amended.  
The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

**Senate Bill No. 80, entitled**

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending section 18 (MCL 388.1618), as amended by 2012 PA 201.

The House of Representatives has amended the bill as follows:

1. Amend page 10, following line 16, by inserting:

"Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2014-2015 an amount not to exceed \$317,695,500.00 for payments to eligible districts, eligible public school academies, and the education achievement system for the purposes of ensuring that pupils are proficient in reading by the end of grade 3 and that high school graduates are career and college ready and for the purposes under subsections (6) and (7). **IN ADDITION TO THE APPROPRIATIONS UNDER SECTION 11, AN ADDITIONAL AMOUNT NOT TO EXCEED \$40,000,000.00 IS APPROPRIATED FROM THE STATE SCHOOL AID FUND FOR 2014-2015 FOR THE PURPOSES OF THIS SECTION.**

(2) For a district or public school academy, or the education achievement system, to be eligible to receive funding under this section, other than funding under subsection (6) or (7), the sum of the district's or public school academy's or the education achievement system's combined state and local revenue per membership pupil in the current state fiscal year, as calculated under section 20, must be less than or equal to the basic foundation allowance under section 20 for the current state fiscal year.

(3) Except as otherwise provided in this subsection, an eligible district or eligible public school academy or the education achievement system shall receive under this section for each membership pupil in the district or public school academy or the education achievement system who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769, and as reported to the department in the form and manner prescribed by the department not later than the fifth Wednesday after the pupil membership count day of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year, an amount per pupil equal to 11.5% of the sum of the district's foundation allowance or the public school academy's or the education achievement system's per pupil amount calculated under section 20, not to exceed the basic foundation allowance under section 20 for the current state fiscal year, or of the public school academy's or the education achievement system's per membership pupil amount calculated under section 20 for the current state fiscal year. However, a public school academy that began operations as a public school academy, or an achievement school that began operations as an achievement school, after the pupil membership count day of the immediately preceding school year shall receive under this section for each membership pupil in the public school academy or in the education achievement system who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department not later than the fifth Wednesday after the pupil membership count day of the current fiscal year and adjusted not later than December 31 of the current fiscal year, an amount per pupil equal to 11.5% of the public school academy's or the education achievement system's per membership pupil amount calculated under section 20 for the current state fiscal year.

(4) Except as otherwise provided in this section, a district or public school academy, or the education achievement system, receiving funding under this section shall use that money only to provide instructional programs and direct noninstructional services, including, but not limited to, medical, mental health, or counseling services, for at-risk pupils; for school health clinics; and for the purposes of subsection (5), (6), (7), or (10). In addition, a district that is a school district of the first class or a district or public school academy in which at least 50% of the pupils in membership met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (3), or the education achievement system if it meets this requirement, may use not more than 20% of the funds it receives under this section for school security. A district, the public school academy, or the education achievement system shall not use any of that money for administrative costs. The instruction or direct noninstructional services provided under this section may be conducted before or after regular school hours or by adding extra school days to the school year.



(5) A district or public school academy that receives funds under this section and that operates a school breakfast program under section 1272a of the revised school code, MCL 380.1272a, or the education achievement system if it operates a school breakfast program, shall use from the funds received under this section an amount, not to exceed \$10.00 per pupil for whom the district or public school academy or the education achievement system receives funds under this section, necessary to pay for costs associated with the operation of the school breakfast program.

(6) From the funds allocated under subsection (1), there is allocated for 2014-2015 an amount not to exceed \$3,557,300.00 to support child and adolescent health centers. These grants shall be awarded for 5 consecutive years beginning with 2003-2004 in a form and manner approved jointly by the department and the department of community health. Each grant recipient shall remain in compliance with the terms of the grant award or shall forfeit the grant award for the duration of the 5-year period after the noncompliance. To continue to receive funding for a child and adolescent health center under this section a grant recipient shall ensure that the child and adolescent health center has an advisory committee and that at least one-third of the members of the advisory committee are parents or legal guardians of school-aged children. A child and adolescent health center program shall recognize the role of a child's parents or legal guardian in the physical and emotional well-being of the child. Funding under this subsection shall be used to support child and adolescent health center services provided to children up to age 21. If any funds allocated under this subsection are not used for the purposes of this subsection for the fiscal year in which they are allocated, those unused funds shall be used that fiscal year to avoid or minimize any proration that would otherwise be required under subsection (14) for that fiscal year.

(7) From the funds allocated under subsection (1), there is allocated for 2014-2015 an amount not to exceed \$5,150,000.00 for the state portion of the hearing and vision screenings as described in section 9301 of the public health code, 1978 PA 368, MCL 333.9301. A local public health department shall pay at least 50% of the total cost of the screenings. The frequency of the screenings shall be as required under R 325.13091 to R 325.13096 and R 325.3271 to R 325.3276 of the Michigan administrative code. Funds shall be awarded in a form and manner approved jointly by the department and the department of community health. Notwithstanding section 17b, payments to eligible entities under this subsection shall be paid on a schedule determined by the department.

(8) Each district or public school academy receiving funds under this section and the education achievement system shall submit to the department by July 15 of each fiscal year a report, not to exceed 10 pages, on the usage by the district or public school academy or the education achievement system of funds under this section, which report shall include a brief description of each program conducted or services performed by the district or public school academy or the education achievement system using funds under this section, the amount of funds under this section allocated to each of those programs or services, the total number of at-risk pupils served by each of those programs or services, and the data necessary for the department and the department of human services to verify matching funds for the temporary assistance for needy families program. If a district or public school academy or the education achievement system does not comply with this subsection, the department shall withhold an amount equal to the August payment due under this section until the district or public school academy or the education achievement system complies with this subsection. If the district or public school academy or the education achievement system does not comply with this subsection by the end of the state fiscal year, the withheld funds shall be forfeited to the school aid fund.

(9) In order to receive funds under this section, a district or public school academy or the education achievement system shall allow access for the department or the department's designee to audit all records related to the program for which it receives those funds. The district or public school academy or the education achievement system shall reimburse the state for all disallowances found in the audit.

(10) Subject to subsections (5), (6), and (7), a district may use up to 100% of the funds it receives under this section to implement schoolwide reform in schools with 40% or more of their pupils identified as at-risk pupils by providing supplemental instructional or noninstructional services consistent with the school improvement plan.

(11) If necessary, and before any proration required under section 296, the department shall prorate payments under this section by reducing the amount of the per pupil payment under this section by a dollar amount calculated by determining the amount by which the amount necessary to fully fund the requirements of this section exceeds the maximum amount allocated under this section and then dividing that amount by the total statewide number of pupils who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as described in subsection (3).

(12) If a district is formed by consolidation after June 1, 1995, and if 1 or more of the original districts was not eligible before the consolidation for an additional allowance under this section, the amount of the additional allowance under this section for the consolidated district shall be based on the number of pupils described in subsection (1) enrolled in the consolidated district who reside in the territory of an original district that was eligible before the consolidation for an additional allowance under this section. In addition, if a district is dissolved pursuant to section 12 of the revised school code, MCL 380.12, the intermediate district to which the dissolved school district was constituent shall determine the estimated number of pupils that meet the income eligibility criteria for free breakfast, lunch, or milk, as described under subsection (3), enrolled in each of the other districts within the intermediate district and provide that estimate to the department for the purposes of distributing funds under this section within 60 days after the school district is declared dissolved.

(13) As used in this section, “at-risk pupil” means a pupil for whom the district has documentation that the pupil meets any of the following criteria:

- (a) Is a victim of child abuse or neglect.
- (b) Is a pregnant teenager or teenage parent.
- (c) Has a family history of school failure, incarceration, or substance abuse.
- (d) For pupils for whom the results of the Michigan merit examination have been received, is a pupil who does not meet the other criteria under this subsection but who did not achieve proficiency on the reading, writing, mathematics, science, or social studies components of the most recent Michigan merit examination for which results for the pupil have been received.
- (e) For pupils in grades K-3, is a pupil who is at risk of not meeting the district’s core academic curricular objectives in English language arts or mathematics.
- (f) The pupil is enrolled in a priority or priority-successor school, as defined in the elementary and secondary education act of 2001 flexibility waiver approved by the United States department of education.
- (g) The pupil did not achieve a score of at least proficient on 2 or more state-administered assessments for English language arts, mathematics, science, or social studies.
- (h) For high school pupils in grades not assessed by the state, the pupil did not receive a satisfactory score on 2 or more end-of-course examinations that are aligned with state standards in English language arts, mathematics, science, or social studies. For middle school pupils in grades not assessed by the state, the pupil did not receive a satisfactory score on 2 or more end-of-semester or end-of-trimester examinations that are aligned with state standards in science or social studies. For pupils in the elementary grades in grades and subjects not assessed by the state, the pupil did not receive a satisfactory score or did not have a satisfactory outcome on 2 or more interim assessments in English language arts, mathematics, science, or social studies.
- (i) In the absence of state or local assessment data, the pupil meets at least 2 of the following criteria, as documented in a form and manner approved by the department:
  - (i) The pupil is eligible for free breakfast, lunch, or milk.
  - (ii) The pupil is absent more than 10% of enrolled days or 10 school days during the school year.
  - (iii) The pupil is homeless.
  - (iv) The pupil is a migrant.
  - (v) The pupil is an English language learner.
  - (vi) The pupil is an immigrant who has immigrated within the immediately preceding 3 years.
  - (vii) The pupil did not complete high school in 4 years and is still continuing in school as identified in the Michigan cohort graduation and dropout report.

(14) Beginning in 2014-2015, if a district, public school academy, or the education achievement system does not demonstrate to the satisfaction of the department that at least 50% of at-risk pupils are reading at grade level by the end of grade 3 as measured by the state assessment and demonstrate to the satisfaction of the department improvement over 3 consecutive years in the percentage of at-risk pupils that are career- and college-ready as measured by the pupil’s score on each of the individual subject areas on the college entrance examination portion of the Michigan merit examination under section 1279g(2)(a) of the revised school code, MCL 380.1279g, the district, public school academy, or education achievement system shall ensure all of the following:

- (a) The district, public school academy, or the education achievement system shall determine the proportion of total at-risk pupils that represents the number of pupils in grade 3 that are not reading at grade level by the end of grade 3, and the district, public school academy, or the education achievement system shall expend that same proportion multiplied by 1/2 of its total at-risk funds under this section on tutoring and other methods of improving grade 3 reading levels.
- (b) The district, public school academy, or the education achievement system shall determine the proportion of total at-risk pupils that represent the number of pupils in grade 11 that are not career- and college-ready as measured by the student’s score on each of the individual subject areas on the college entrance examination portion of the Michigan merit examination under section 1279g(2)(a) of the revised school code, MCL 380.1279g, and the district, public school academy, or the education achievement system shall expend that same proportion multiplied by 1/2 of its total at-risk funds under this section on tutoring and other activities to improve scores on the college entrance examination portion of the Michigan merit examination.

(15) As used in subsection (14), “total at risk pupils” means the sum of the number of pupils in grade 3 that are not reading at grade level by the end of third grade and the number of pupils in grade 11 that are not career- and college-ready as measured by the student’s score on each of the individual subject areas on the college entrance examination portion of the Michigan merit examination under section 1279g(2)(a) of the revised school code, MCL 380.1279g.

(16) A district or public school academy that receives funds under this section or the education achievement system may use funds received under this section to provide an anti-bullying or crisis intervention program.

Enacting section 1. Section 31a of the state school aid act of 1979, 1979 PA 94, MCL 388.1631a, as amended by this amendatory act, does not take effect unless House Joint Resolution UU of the 97th Legislature becomes a part of the state constitution of 1963 as provided in section 1 of article XII of the state constitution of 1963.” and renumbering the remaining enacting section.

2. Amend page 10, line 17, by striking out all of enacting section 1.

The House of Representatives has passed the bill as amended and amended the title to read as follows:

A bill to amend 1979 PA 94, entitled “An act to make appropriations to aid in the support of the public schools, the intermediate school districts, community colleges, and public universities of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts,” by amending sections 18 and 31a (MCL 388.1618 and MCL 388.1631a), as amended by 2014 PA 196.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Meekhof moved that the rule be suspended.

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

The question being on concurring in the amendments made to the bill by the House,

**Recess**

Senator Meekhof moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 4:03 a.m.

4:19 a.m.

The Senate was called to order by the President pro tempore, Senator Schuitmaker.

The amendments were concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 931**

**Yeas—26**

Anderson	Hansen	Jones	Richardville
Bieda	Hildenbrand	Kahn	Rocca
Booher	Hood	Kowall	Smith
Brandenburg	Hopgood	Meekhof	Warren
Casperson	Hunter	Nofs	Whitmer
Caswell	Jansen	Pappageorge	Young
Gregory	Johnson		

**Nays—11**

Colbeck	Hune	Pavlov	Schuitmaker
Emmons	Marleau	Proos	Walker
Green	Moolenaar	Robertson	

**Excused—0**

**Not Voting—1**

Ananich

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was not concurred in, 2/3 of the members serving not voting therefor.

The Senate agreed to the title as amended.

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

**Senate Bill No. 325, entitled**

A bill to adopt the uniform child abduction prevention act; to allow courts in this state to impose measures to prevent the abduction of children; to establish standards for determining whether a child is subject to a significant risk of abduction; and to provide remedies.

The House of Representatives has passed the bill and ordered that the bill be given immediate effect.

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

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

By unanimous consent the Senate returned to the order of

**Motions and Communications**

Senator Meekhof moved that rule 3.902 be suspended to remove all members of the House of Representatives from the Senate floor.

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

By unanimous consent the Senate returned to the order of

**Messages from the House****Senate Bill No. 927, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 40111c (MCL 324.40111c), as added by 2008 PA 301.

The House of Representatives has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

The Senate agreed to the full title.

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

**Senate Bill No. 1140, entitled**

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 3113 (MCL 500.3113), as amended by 1986 PA 93.

The House of Representatives has concurred in the Senate amendments to the House substitute (H-2) and agreed to the title as amended.

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

### **House Bill No. 5460, entitled**

A bill to amend 1951 PA 51, entitled “An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts,” by amending sections 11, 12, 13, and 14 (MCL 247.661, 247.662, 247.663, and 247.664), section 11 as amended by 2002 PA 639, sections 12 and 13 as amended by 2012 PA 298, and section 14 as amended by 1987 PA 234.

The House of Representatives has substituted (H-5) the Senate substitute (S-3).

The House of Representatives has concurred in the Senate substitute (S-3) as substituted (H-5) and amended the title to read as follows:

A bill to amend 1951 PA 51, entitled “An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties



of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts," by amending sections 9b, 10, 11, 12, 13, and 14 (MCL 247.559b, 247.660, 247.661, 247.662, 247.663, and 247.664), section 9b as added by 1997 PA 79, section 10 as amended by 2007 PA 210, section 11 as amended by 2002 PA 639, sections 12 and 13 as amended by 2012 PA 298, and section 14 as amended by 1987 PA 234.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Meekhof moved that the rule be suspended.

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

The question being on concurring in the House substitute made to the Senate substitute,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 932**

**Yeas—37**

Ananich	Gregory	Jones	Proos
Anderson	Hansen	Kahn	Richardville
Bieda	Hildenbrand	Kowall	Rocca
Booher	Hood	Marleau	Schuitmaker
Brandenburg	Hopgood	Meekhof	Smith
Casperson	Hune	Moolenaar	Walker
Caswell	Hunter	Nofs	Warren
Colbeck	Jansen	Pappageorge	Whitmer
Emmons	Johnson	Pavlov	Young
Green			

**Nays—1**

Robertson

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The Senate agreed to the title as amended.

By unanimous consent the Senate returned to the order of

**General Orders**

Senator Meekhof moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President pro tempore, Senator Schuitmaker, designated Senator Hildenbrand as Chairperson.

After some time spent therein, the Committee arose; and the Assistant President pro tempore, Senator Hansen, having resumed the Chair, the Committee reported back to the Senate, favorably and with a substitute therefor, the following bill:

**House Bill No. 5389, entitled**

A bill to amend 1978 PA 368, entitled "Public health code," (MCL 333.1101 to 333.25211) by adding section 21794. Substitute (S-1).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.



The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:  
**House Bill No. 4001, entitled**

A bill to amend 1976 PA 442, entitled "Freedom of information act," by amending sections 4, 5, 10, and 11 (MCL 15.234, 15.235, 15.240, and 15.241), sections 4, 5, and 10 as amended by 1996 PA 553, and by adding sections 10a and 10b.

Substitute (S-2).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

By unanimous consent the Senate returned to the order of  
**Third Reading of Bills**

Senator Meekhof moved that the rules be suspended and that the following bills, now on the order of Third Reading of Bills, be placed on their immediate passage at the head of the Third Reading of Bills calendar:

**House Bill No. 5389**

**House Bill No. 4001**

**House Bill No. 5492**

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

The following bill was read a third time:

**House Bill No. 5389, entitled**

A bill to amend 1978 PA 368, entitled "Public health code," (MCL 333.1101 to 333.25211) by adding section 21794.  
 The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 933**

**Yeas—38**

Ananich	Gregory	Kahn	Richardville
Anderson	Hansen	Kowall	Robertson
Bieda	Hildenbrand	Marleau	Rocca
Booher	Hood	Meekhof	Schuitmaker
Brandenburg	Hopgood	Moolenaar	Smith
Casperson	Hune	Nofs	Walker
Caswell	Hunter	Pappageorge	Warren
Colbeck	Jansen	Pavlov	Whitmer
Emmons	Johnson	Proos	Young
Green	Jones		

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Hansen

The question being on concurring in the committee recommendation to give the bill immediate effect,  
 The recommendation was concurred in, 2/3 of the members serving voting therefor.

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 provide for the levy of taxes against certain health facilities or agencies; 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 Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 4001, entitled**

A bill to amend 1976 PA 442, entitled “Freedom of information act,” by amending sections 4, 5, 10, and 11 (MCL 15.234, 15.235, 15.240, and 15.241), sections 4, 5, and 10 as amended by 1996 PA 553, and by adding sections 10a and 10b.

The question being on the passage of the bill,

Senator Bieda offered the following amendment:

1. Amend page 1, following “**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**” by inserting:

“Sec. 2. As used in this act:

(a) “Field name” means the label or identification of an element of a computer ~~data base~~**DATABASE** that contains a specific item of information, and includes but is not limited to a subject heading such as a column header, data dictionary, or record layout.

(b) “FOIA coordinator” means either of the following:

(i) An individual who is a public body.

(ii) An individual designated by a public body in accordance with section 6 to accept and process requests for public records under this act.

(c) “Person” means an individual, corporation, limited liability company, partnership, firm, organization, association, governmental entity, or other legal entity. Person does not include an individual serving a sentence of imprisonment in a state or county correctional facility in this state or any other state, or in a federal correctional facility.

(d) “Public body” means any of the following:

(i) A state officer, employee, agency, department, division, bureau, board, commission, council, authority, or other body in the executive **OR LEGISLATIVE** branch of the state government, but does not include the governor or lieutenant governor, the executive office of the governor or lieutenant governor, or employees thereof.

~~(ii) An agency, board, commission, or council in the legislative branch of the state government.~~

~~(iii) A county, city, township, village, intercounty, intercity, or regional governing body, council, school district, special district, or municipal corporation, or a board, department, commission, council, or agency thereof.~~

~~(iii) Any other body which-THAT is created by state or local authority or which-THAT is primarily funded by or through state or local authority, :~~

~~(v) The-EXCEPT THAT THE judiciary, including the office of the county clerk and employees thereof when acting in the capacity of clerk to the circuit court, is not included in the definition of public body.~~

(e) “Public record” means a writing prepared, owned, used, in the possession of, or retained by a public body in the performance of an official function, from the time it is created. Public record does not include computer software. This act separates public records into the following 2 classes:

(i) Those that are exempt from disclosure under section 13.

(ii) All public records that are not exempt from disclosure under section 13 and ~~which-THAT~~ are subject to disclosure under this act.

(f) “Software” means a set of statements or instructions that when incorporated in a machine usable medium is capable of causing a machine or device having information processing capabilities to indicate, perform, or achieve a particular function, task, or result. Software does not include computer-stored information or data, or a field name if disclosure of that field name does not violate a software license.

(g) “Unusual circumstances” means any 1 or a combination of the following, but only to the extent necessary for the proper processing of a request:

(i) The need to search for, collect, or appropriately examine or review a voluminous amount of separate and distinct public records pursuant to a single request.

(ii) The need to collect the requested public records from numerous field offices, facilities, or other establishments ~~which~~ **THAT** are located apart from the particular office receiving or processing the request.

(h) "Writing" means handwriting, typewriting, printing, photostating, photographing, photocopying, and every other means of recording, and includes letters, words, pictures, sounds, or symbols, or combinations thereof, and papers, maps, magnetic or paper tapes, photographic films or prints, microfilm, microfiche, magnetic or punched cards, discs, drums, or other means of recording or retaining meaningful content.

(i) "Written request" means a writing that asks for information, and includes a writing transmitted by facsimile, electronic mail, or other electronic means."

The question being on the adoption of the amendment,

Senator Meekhof moved that further consideration of the bill be postponed temporarily.

The motion prevailed.

The following bill was read a third time:

**House Bill No. 5492, entitled**

A bill to amend 1937 PA 94, entitled "Use tax act," by amending sections 3 and 21 (MCL 205.93 and 205.111), as amended by 2014 PA 80.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 934**

**Yeas—24**

Ananich	Gregory	Johnson	Pappageorge
Anderson	Hansen	Jones	Richardville
Bieda	Hood	Kahn	Smith
Booher	Hopgood	Kowall	Walker
Casperson	Hunter	Meekhof	Warren
Caswell	Jansen	Nofs	Whitmer

**Nays—14**

Brandenburg	Hildenbrand	Pavlov	Rocca
Colbeck	Hune	Proos	Schuitmaker
Emmons	Marleau	Robertson	Young
Green	Moolenaar		

**Excused—0**

**Not Voting—0**

In The Chair: Hansen

Senator Meekhof moved that the bill be given immediate effect.

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

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

"An act to provide for the levy, assessment, and collection of a specific excise tax on the storage, use, or consumption in this state of tangible personal property and certain services; to appropriate the proceeds of that tax; to prescribe penalties; and to make appropriations,".

The Senate agreed to the full title.

By unanimous consent the Senate returned to consideration of the following bill:

**House Bill No. 4001, entitled**

A bill to amend 1976 PA 442, entitled "Freedom of information act," by amending sections 4, 5, 10, and 11 (MCL 15.234, 15.235, 15.240, and 15.241), sections 4, 5, and 10 as amended by 1996 PA 553, and by adding sections 10a and 10b.

(This bill was read a third time earlier today, amendment offered and consideration postponed. See p. 2368.)

The question being on the adoption of the amendment offered by Senator Bieda,

Senator Bieda withdrew the amendment.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 935**

**Yeas—30**

Ananich	Hansen	Kowall	Proos
Booher	Hildenbrand	Marleau	Richardville
Brandenburg	Hopgood	Meekhof	Robertson
Casperson	Hune	Moolenaar	Schuitmaker
Caswell	Hunter	Nofs	Smith
Colbeck	Jansen	Pappageorge	Walker
Emmons	Jones	Pavlov	Whitmer
Green	Kahn		

**Nays—8**

Anderson	Gregory	Johnson	Warren
Bieda	Hood	Rocca	Young

**Excused—0**

**Not Voting—0**

In The Chair: Hansen

Senator Meekhof moved that the bill be given immediate effect.

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

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

"An act to provide for public access to certain public records of public bodies; to permit certain fees; to prescribe the powers and duties of certain public officers and public bodies; to provide remedies and penalties; and to repeal certain acts and parts of acts,".

The Senate agreed to the full title.

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

The motion prevailed.

Senator Bieda's statement is as follows:

I hope everybody's enjoying this lovely morning in the State Legislature. I'm offering this amendment as a policy concern. Frequently, this Legislature has abused new requirements on local units of government while at the same time exempting itself. My amendment would include the Legislature, which is currently excluded from FOIA.

In light of the amount of hours that we have spent here today, I also would be open to working on the legislation this next session. I already had Senate Bill No. 202 that was introduced. I'm hoping that as we visit this issue into the future that we could take this on.

By unanimous consent the Senate returned to the order of  
**Conference Reports**

Senator Meekhof moved that joint rule 9 be suspended to permit immediate consideration of the conference report relative to the following bill:

**House Bill No. 4630**

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

**House Bill No. 4630, entitled**

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 801, 802, 803, 803b, 803e, 806, and 809 (MCL 257.801, 257.802, 257.803, 257.803b, 257.803e, 257.806, and 257.809), section 801 as amended by 2012 PA 498, sections 802, 803b, 806, and 809 as amended by 2011 PA 159, section 803 as amended by 2002 PA 490, and section 803e as amended by 2011 PA 46; and to repeal acts and parts of acts.

The House of Representatives has adopted the report of the Committee of Conference.

The Conference Report was read as follows:

**FIRST CONFERENCE REPORT**

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

**House Bill No. 4630, entitled**

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 801, 802, 803, 803b, 803e, 806, and 809 (MCL 257.801, 257.802, 257.803, 257.803b, 257.803e, 257.806, and 257.809), section 801 as amended by 2012 PA 498, sections 802, 803b, 806, and 809 as amended by 2011 PA 159, section 803 as amended by 2002 PA 490, and section 803e as amended by 2011 PA 46; and to repeal acts and parts of acts.

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 amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 801 (MCL 257.801), as amended by 2012 PA 498.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

Sec. 801. (1) The secretary of state shall collect the following taxes at the time of registering a vehicle, which shall exempt the vehicle from all other state and local taxation, except the fees and taxes provided by law to be paid by certain carriers operating motor vehicles and trailers under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.43; the taxes imposed by the motor carrier fuel tax act, 1980 PA 119, MCL 207.211 to 207.234; and except as otherwise provided by this act:

(a) For a motor vehicle, including a motor home, except as otherwise provided, and a pickup truck or van that weighs not more than 8,000 pounds, except as otherwise provided, according to the following schedule of empty weights:

Empty weights	Tax
0 to 3,000 pounds .....	\$ 29.00
3,001 to 3,500 pounds .....	32.00
3,501 to 4,000 pounds .....	37.00
4,001 to 4,500 pounds .....	43.00
4,501 to 5,000 pounds .....	47.00
5,001 to 5,500 pounds .....	52.00
5,501 to 6,000 pounds .....	57.00
6,001 to 6,500 pounds .....	62.00
6,501 to 7,000 pounds .....	67.00
7,001 to 7,500 pounds .....	71.00
7,501 to 8,000 pounds .....	77.00
8,001 to 8,500 pounds .....	81.00
8,501 to 9,000 pounds .....	86.00
9,001 to 9,500 pounds .....	91.00
9,501 to 10,000 pounds .....	95.00
over 10,000 pounds .....	\$ 0.90 per 100 pounds of empty weight

On October 1, 1983, and October 1, 1984, the tax assessed under this subdivision shall be annually revised for the registrations expiring on the appropriate October 1 or after that date by multiplying the tax assessed in the preceding fiscal year times the personal income of Michigan for the preceding calendar year divided by the personal income of Michigan for the calendar year that preceded that calendar year. In performing the calculations under this subdivision, the secretary of state shall use

the spring preliminary report of the United States department of commerce or its successor agency. A van that is owned by an individual who uses a wheelchair or by an individual who transports a member of his or her household who uses a wheelchair and for which registration plates are issued under section 803d shall be assessed at the rate of 50% of the tax provided for in this subdivision.

(b) For a trailer coach attached to a motor vehicle, the tax shall be assessed as provided in subdivision (l). A trailer coach not under 1959 PA 243, MCL 125.1035 to 125.1043, and while located on land otherwise assessable as real property under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, if the trailer coach is used as a place of habitation, and whether or not permanently affixed to the soil, is not exempt from real property taxes.

(c) For a road tractor, modified agricultural vehicle, truck, or truck tractor owned by a farmer and used exclusively in connection with a farming operation, including a farmer hauling livestock or farm equipment for other farmers for remuneration in kind or in labor, but not for money, or used for the transportation of the farmer and the farmer's family, and not used for hire, 74 cents per 100 pounds of empty weight of the road tractor, truck, or truck tractor. If the road tractor, modified agricultural vehicle, truck, or truck tractor owned by a farmer is also used for a nonfarming operation, the farmer is subject to the highest registration tax applicable to the nonfarm use of the vehicle but is not subject to more than 1 tax rate under this act.

(d) For a road tractor, truck, or truck tractor owned by a wood harvester and used exclusively in connection with the wood harvesting operations or a truck used exclusively to haul milk from the farm to the first point of delivery, 74 cents per 100 pounds of empty weight of the road tractor, truck, or truck tractor. A registration secured by payment of the tax prescribed in this subdivision continues in full force and effect until the regular expiration date of the registration. As used in this subdivision:

(i) "Wood harvester" includes the person or persons hauling and transporting raw materials in the form produced at the harvest site or hauling and transporting wood harvesting equipment. Wood harvester does not include a person or persons whose primary activity is tree-trimming or landscaping.

(ii) "Wood harvesting equipment" includes all of the following:

(A) A vehicle that directly harvests logs or timber, including, but not limited to, a processor or a feller buncher.

(B) A vehicle that directly processes harvested logs or timber, including, but not limited to, a slasher, delimeter, processor, chipper, or saw table.

(C) A vehicle that directly processes harvested logs or timber, including, but not limited to, a forwarder, grapple skidder, or cable skidder.

(D) A vehicle that directly loads harvested logs or timber, including, but not limited to, a knuckle-boom loader, front-end loader, or forklift.

(E) A bulldozer or road grader being transported to a wood harvesting site specifically for the purpose of building or maintaining harvest site roads.

(iii) "Wood harvesting operations" does not include the transportation of processed lumber, Christmas trees, or processed firewood for a profit making venture.

(e) For a hearse or ambulance used exclusively by a licensed funeral director in the general conduct of the licensee's funeral business, including a hearse or ambulance whose owner is engaged in the business of leasing or renting the hearse or ambulance to others, \$1.17 per 100 pounds of the empty weight of the hearse or ambulance.

(f) For a vehicle owned and operated by this state, a state institution, a municipality, a privately incorporated, nonprofit volunteer fire department, or a nonpublic, nonprofit college or university, \$5.00 per plate. A registration plate issued under this subdivision expires on June 30 of the year in which new registration plates are reissued for all vehicles by the secretary of state.

(g) For a bus including a station wagon, carryall, or similarly constructed vehicle owned and operated by a nonprofit parents' transportation corporation used for school purposes, parochial school or society, church Sunday school, or any other grammar school, or by a nonprofit youth organization or nonprofit rehabilitation facility; or a motor vehicle owned and operated by a senior citizen center, \$10.00, if the bus, station wagon, carryall, or similarly constructed vehicle or motor vehicle is designated by proper signs showing the organization operating the vehicle.

(h) For a vehicle owned by a nonprofit organization and used to transport equipment for providing dialysis treatment to children at camp; for a vehicle owned by the civil air patrol, as organized under 36 USC 40301 to 40307, \$10.00 per plate, if the vehicle is designated by a proper sign showing the civil air patrol's name; for a vehicle owned and operated by a nonprofit veterans center; for a vehicle owned and operated by a nonprofit recycling center or a federally recognized nonprofit conservation organization; for a motor vehicle having a truck chassis and a locomotive or ship's body that is owned by a nonprofit veterans organization and used exclusively in parades and civic events; or for an emergency support vehicle used exclusively for emergencies and owned and operated by a federally recognized nonprofit charitable organization, \$10.00 per plate.

(i) For each truck owned and operated free of charge by a bona fide ecclesiastical or charitable corporation, or red cross, girl scout, or boy scout organization, 65 cents per 100 pounds of the empty weight of the truck.

(j) For each truck, weighing 8,000 pounds or less, and not used to tow a vehicle, for each privately owned truck used to tow a trailer for recreational purposes only and not involved in a profit making venture, and for each vehicle designed and used to



tow a mobile home or a trailer coach, except as provided in subdivision (b), \$38.00 or an amount computed according to the following schedule of empty weights, whichever is greater:

Empty weights	Per 100 pounds
0 to 2,500 pounds .....	\$ 1.40
2,501 to 4,000 pounds .....	1.76
4,001 to 6,000 pounds .....	2.20
6,001 to 8,000 pounds .....	2.72
8,001 to 10,000 pounds .....	3.25
10,001 to 15,000 pounds .....	3.77
15,001 pounds and over .....	4.39

If the tax required under subdivision (p) for a vehicle of the same model year with the same list price as the vehicle for which registration is sought under this subdivision is more than the tax provided under the preceding provisions of this subdivision for an identical vehicle, the tax required under this subdivision is not less than the tax required under subdivision (p) for a vehicle of the same model year with the same list price.

(k) For each truck weighing 8,000 pounds or less towing a trailer or any other combination of vehicles and for each truck weighing 8,001 pounds or more, road tractor or truck tractor, except as provided in subdivision (j), according to the following schedule of elected gross weights: **AS FOLLOWS:**

**(i) BEGINNING ON MARCH 1, 2016 AND ENDING ON FEBRUARY 28, 2017, ACCORDING TO THE FOLLOWING SCHEDULE OF ELECTED GROSS WEIGHTS:**

ELECTED GROSS WEIGHT	TAX
0 TO 24,000 POUNDS.....	\$ 491.00
24,001 TO 26,000 POUNDS.....	558.00
26,001 TO 28,000 POUNDS.....	608.00
28,001 TO 32,000 POUNDS.....	715.67
32,001 TO 36,000 POUNDS.....	827.33
36,001 TO 42,000 POUNDS.....	974.00
42,001 TO 48,000 POUNDS.....	1,121.67
48,001 TO 54,000 POUNDS.....	1,268.33
54,001 TO 60,000 POUNDS.....	1,418.00
60,001 TO 66,000 POUNDS.....	1,564.67
66,001 TO 72,000 POUNDS.....	1,712.33
72,001 TO 80,000 POUNDS.....	1,860.00
80,001 TO 90,000 POUNDS.....	2,009.67
90,001 TO 100,000 POUNDS.....	2,235.33
100,001 TO 115,000 POUNDS.....	2,473.00
115,001 TO 130,000 POUNDS.....	2,714.67
130,001 TO 145,000 POUNDS.....	2,970.00
145,001 TO 160,000 POUNDS.....	3,227.33
OVER 160,000 POUNDS .....	3,450.33

**(ii) BEGINNING ON MARCH 1, 2017 AND ENDING ON FEBRUARY 28, 2018, ACCORDING TO THE FOLLOWING SCHEDULE OF ELECTED GROSS WEIGHTS:**

ELECTED GROSS WEIGHT	TAX
0 TO 24,000 POUNDS.....	\$ 491.00
24,001 TO 26,000 POUNDS.....	558.00
26,001 TO 28,000 POUNDS.....	658.00
28,001 TO 32,000 POUNDS.....	782.33
32,001 TO 36,000 POUNDS.....	910.67
36,001 TO 42,000 POUNDS.....	1,074.00
42,001 TO 48,000 POUNDS.....	1,238.33
48,001 TO 54,000 POUNDS.....	1,401.67
54,001 TO 60,000 POUNDS.....	1,568.00
60,001 TO 66,000 POUNDS.....	1,731.33
66,001 TO 72,000 POUNDS.....	1,895.67
72,001 TO 80,000 POUNDS.....	2,060.00
80,001 TO 90,000 POUNDS.....	2,226.33
90,001 TO 100,000 POUNDS.....	2,468.67
100,001 TO 115,000 POUNDS.....	2,723.00

<b>115,001 TO 130,000 POUNDS.....</b>	<b>2,981.33</b>
<b>130,001 TO 145,000 POUNDS.....</b>	<b>3,270.00</b>
<b>145,001 TO 160,000 POUNDS.....</b>	<b>3,560.67</b>
<b>OVER 160,000 POUNDS .....</b>	<b>3,783.67</b>

**(iii) BEGINNING ON MARCH 1, 2018, ACCORDING TO THE FOLLOWING SCHEDULE OF ELECTED GROSS**

**WEIGHTS:**

Elected gross weight	Tax
0 to 24,000 pounds .....	\$ 491.00
24,001 to 26,000 pounds .....	558.00
26,001 to 28,000 pounds .....	<del>558.00</del> <b>708.00</b>
28,001 to 32,000 pounds .....	<del>649.00</del> <b>849.00</b>
32,001 to 36,000 pounds .....	<del>744.00</del> <b>994.00</b>
36,001 to 42,000 pounds .....	<del>874.00</del> <b>1,174.00</b>
42,001 to 48,000 pounds .....	<del>1,005.00</del> <b>1,355.00</b>
48,001 to 54,000 pounds .....	<del>1,135.00</del> <b>1,535.00</b>
54,001 to 60,000 pounds .....	<del>1,268.00</del> <b>1,718.00</b>
60,001 to 66,000 pounds .....	<del>1,398.00</del> <b>1,898.00</b>
66,001 to 72,000 pounds .....	<del>1,529.00</del> <b>2,079.00</b>
72,001 to 80,000 pounds .....	<del>1,660.00</del> <b>2,260.00</b>
80,001 to 90,000 pounds .....	<del>1,793.00</del> <b>2,443.00</b>
90,001 to 100,000 pounds .....	<del>2,002.00</del> <b>2,702.00</b>
100,001 to 115,000 pounds .....	<del>2,223.00</del> <b>2,973.00</b>
115,001 to 130,000 pounds .....	<del>2,448.00</del> <b>3,248.00</b>
130,001 to 145,000 pounds .....	<del>2,670.00</del> <b>3,570.00</b>
145,001 to 160,000 pounds .....	<del>2,894.00</del> <b>3,894.00</b>
over 160,000 pounds .....	<del>3,117.00</del> <b>4,117.00</b>

For each commercial vehicle registered under this subdivision, \$15.00 shall be deposited in a truck safety fund to be expended for the purposes prescribed ~~AS PROVIDED~~ in section 25 of 1951 PA 51, MCL 247.675.

If a truck **TRACTOR** or road tractor without trailer is leased from an individual owner-operator, the lessee, whether a person, ~~AN INDIVIDUAL~~, firm, or corporation, shall pay to the owner-operator 60% of the tax prescribed in this subdivision for the truck tractor or road tractor at the rate of 1/12 for each month of the lease or arrangement in addition to the compensation the owner-operator is entitled to for the rental of his or her equipment.

(l) For each pole trailer, semitrailer, trailer coach, or trailer, the tax shall be assessed according to the following schedule of empty weights:

Empty weights	Tax
0 to 2,499 pounds .....	\$ 75.00
2,500 to 9,999 pounds .....	200.00
10,000 pounds and over .....	300.00

The registration plate issued under this subdivision expires only when the secretary of state reissues a new registration plate for all trailers. Beginning October 1, 2005, if the secretary of state reissues a new registration plate for all trailers, a person who has once paid the tax as increased by 2003 PA 152 for a vehicle under this subdivision is not required to pay the tax for that vehicle a second time, but is required to pay only the cost of the reissued plate at the rate provided in section 804(2) for a standard plate. A registration plate issued under this subdivision is nontransferable.

(m) For each commercial vehicle used for the transportation of passengers for hire except for a vehicle for which a payment is made under 1960 PA 2, MCL 257.971 to 257.972, according to the following schedule of empty weights:

Empty weights	Per 100 pounds
0 to 4,000 pounds .....	\$ 1.76
4,001 to 6,000 pounds .....	2.20
6,001 to 10,000 pounds .....	2.72
10,001 pounds and over .....	3.25

(n) For each motorcycle, \$23.00.

On October 1, 1983, and October 1, 1984, the tax assessed under this subdivision shall be annually revised for the registrations expiring on the appropriate October 1 or after that date by multiplying the tax assessed in the preceding fiscal year times the personal income of Michigan for the preceding calendar year divided by the personal income of Michigan for the calendar year that preceded that calendar year. In performing the calculations under this subdivision, the secretary of state shall use the spring preliminary report of the United States department of commerce or its successor agency.

Beginning January 1, 1984, the registration tax for each motorcycle is increased by \$3.00. The \$3.00 increase is not part of the tax assessed under this subdivision for the purpose of the annual October 1 revisions but is in addition to the tax assessed as a result of the annual October 1 revisions. Beginning January 1, 1984, \$3.00 of each motorcycle fee shall be placed in a

motorcycle safety fund in the state treasury and shall be used only for funding the motorcycle safety education program as provided for under sections 312b and 811a.

(o) For each truck weighing 8,001 pounds or more, road tractor, or truck tractor used exclusively as a moving van or part of a moving van in transporting household furniture and household effects or the equipment or those engaged in conducting carnivals, at the rate of 80% of the schedule of elected gross weights in subdivision (k) as modified by the operation of that subdivision.

(p) After September 30, 1983, each motor vehicle of the 1984 or a subsequent model year as shown on the application required under section 217 that has not been previously subject to the tax rates of this section and that is of the motor vehicle category otherwise subject to the tax schedule described in subdivision (a), and each low-speed vehicle according to the following schedule based upon registration periods of 12 months:

(i) Except as otherwise provided in this subdivision, for the first registration that is not a transfer registration under section 809 and for the first registration after a transfer registration under section 809, according to the following schedule based on the vehicle's list price:

List Price	Tax
\$ 0 - \$ 6,000.00 .....	\$ 30.00
More than \$ 6,000.00 - \$ 7,000.00 .....	\$ 33.00
More than \$ 7,000.00 - \$ 8,000.00 .....	\$ 38.00
More than \$ 8,000.00 - \$ 9,000.00 .....	\$ 43.00
More than \$ 9,000.00 - \$ 10,000.00 .....	\$ 48.00
More than \$ 10,000.00 - \$ 11,000.00 .....	\$ 53.00
More than \$ 11,000.00 - \$ 12,000.00 .....	\$ 58.00
More than \$ 12,000.00 - \$ 13,000.00 .....	\$ 63.00
More than \$ 13,000.00 - \$ 14,000.00 .....	\$ 68.00
More than \$ 14,000.00 - \$ 15,000.00 .....	\$ 73.00
More than \$ 15,000.00 - \$ 16,000.00 .....	\$ 78.00
More than \$ 16,000.00 - \$ 17,000.00 .....	\$ 83.00
More than \$ 17,000.00 - \$ 18,000.00 .....	\$ 88.00
More than \$ 18,000.00 - \$ 19,000.00 .....	\$ 93.00
More than \$ 19,000.00 - \$ 20,000.00 .....	\$ 98.00
More than \$ 20,000.00 - \$ 21,000.00 .....	\$ 103.00
More than \$ 21,000.00 - \$ 22,000.00 .....	\$ 108.00
More than \$ 22,000.00 - \$ 23,000.00 .....	\$ 113.00
More than \$ 23,000.00 - \$ 24,000.00 .....	\$ 118.00
More than \$ 24,000.00 - \$ 25,000.00 .....	\$ 123.00
More than \$ 25,000.00 - \$ 26,000.00 .....	\$ 128.00
More than \$ 26,000.00 - \$ 27,000.00 .....	\$ 133.00
More than \$ 27,000.00 - \$ 28,000.00 .....	\$ 138.00
More than \$ 28,000.00 - \$ 29,000.00 .....	\$ 143.00
More than \$ 29,000.00 - \$ 30,000.00 .....	\$ 148.00

More than \$30,000.00, the tax of \$148.00 is increased by \$5.00 for each \$1,000.00 increment or fraction of a \$1,000.00 increment over \$30,000.00. If a current tax increases or decreases as a result of 1998 PA 384, only a vehicle purchased or transferred after January 1, 1999 shall be assessed the increased or decreased tax.

~~(ii) For the second registration, UNTIL JANUARY 1, 2016, FOR MODEL YEAR 2015 VEHICLES, 90% of the tax assessed under subparagraph (i).~~

~~(iii) For the third registration, UNTIL JANUARY 1, 2016, FOR MODEL YEAR 2014 VEHICLES, 90% of the tax assessed under subparagraph (ii).~~

~~(iv) For the fourth and subsequent registrations, UNTIL JANUARY 1, 2016, FOR MODEL YEAR 2013 VEHICLES, 90% of the tax assessed under subparagraph (iii).~~

**THE REGISTRATION TAX FOR A MODEL YEAR 2013 THROUGH MODEL YEAR 1984 VEHICLE THAT HAD A VALID REGISTRATION ON JANUARY 1, 2016 SHALL BE THE SAME AS THE MOST RECENTLY PAID REGISTRATION TAX FOR THAT VEHICLE.**

For a vehicle of the 1984 or a subsequent model year that has been previously registered by a person other than the person applying for registration or for a vehicle of the 1984 or a subsequent model year that has been previously registered in another state or country and is registered for the first time in this state, the tax under this subdivision shall be determined by subtracting the model year of the vehicle from the calendar year for which the registration is sought. If the result is zero or a negative figure, the first registration tax shall be paid. If the result is 1, 2, or 3 or more, then, respectively, the second, third, or subsequent registration tax shall be paid. A van that is owned by an individual who uses a wheelchair or by an individual who transports a member of his or her household who uses a wheelchair and for which registration plates are issued under section 803d shall be assessed at the rate of 50% of the tax provided for in this subdivision.

(q) For a wrecker, \$200.00.

(r) When the secretary of state computes a tax under this act, a computation that does not result in a whole dollar figure shall be rounded to the next lower whole dollar when the computation results in a figure ending in 50 cents or less and shall be rounded to the next higher whole dollar when the computation results in a figure ending in 51 cents or more, unless specific taxes are specified, and the secretary of state may accept the manufacturer's shipping weight of the vehicle fully equipped for the use for which the registration application is made. If the weight is not correctly stated or is not satisfactory, the secretary of state shall determine the actual weight. Each application for registration of a vehicle under subdivisions (j) and (m) shall have attached to the application a scale weight receipt of the vehicle fully equipped as of the time the application is made. The scale weight receipt is not necessary if there is presented with the application a registration receipt of the previous year that shows on its face the weight of the motor vehicle as registered with the secretary of state and that is accompanied by a statement of the applicant that there has not been a structural change in the motor vehicle that has increased the weight and that the previous registered weight is the true weight.

(2) A manufacturer is not exempted under this act from paying ad valorem taxes on vehicles in stock or bond, except on the specified number of motor vehicles registered. A dealer is exempt from paying ad valorem taxes on vehicles in stock or bond.

(3) Until October 1, 2015, the tax for a vehicle with an empty weight over 10,000 pounds imposed under subsection (1)(a) and the taxes imposed under subsection (1)(c), (d), (e), (f), (i), (j), (m), (o), and (p) are each increased as follows:

(a) A regulatory fee of \$2.25 that shall be credited to the traffic law enforcement and safety fund created in section 819a and used to regulate highway safety.

(b) A fee of \$5.75 that shall be credited to the transportation administration collection fund created in section 810b.

(4) If a tax required to be paid under this section is not received by the secretary of state on or before the expiration date of the registration plate, the secretary of state shall collect a late fee of \$10.00 for each registration renewed after the expiration date. An application for a renewal of a registration using the regular mail and postmarked before the expiration date of that registration shall not be assessed a late fee. The late fee collected under this subsection shall be deposited into the general fund.

(5) In addition to the registration taxes under this section, the secretary of state shall collect taxes charged under section 801j and credit revenues to a regional transit authority created under the regional transit authority act, minus necessary collection expenses as provided in section 9 of article IX of the state constitution of 1963. Necessary collection expenses incurred by the secretary of state under this subsection shall be based upon an established cost allocation methodology.

(6) This section does not apply to a historic vehicle.

**(7) THE REGISTRATION FEE IMPOSED UNDER THIS SECTION FOR AN ELECTRIC VEHICLE IS INCREASED AS FOLLOWS:**

**(A) AS CLASSIFIED BY THE SECRETARY OF STATE, IF THE VEHICLE IS OF A BRAND OR HAS BEEN MODIFIED TO BE POWERED SOLELY OR PREDOMINATELY BY ELECTRICITY UNDER NORMAL AVERAGE CLASS OPERATING CONDITIONS, THE REGISTRATION FEE FOR THAT VEHICLE UNDER THIS SECTION IS INCREASED BY \$75.00 FOR A VEHICLE WITH AN EMPTY WEIGHT OF 8,000 POUNDS OR LESS, AND \$200.00 FOR A VEHICLE WITH AN EMPTY WEIGHT OF MORE THAN 8,000 POUNDS.**

**(B) AS CLASSIFIED BY THE SECRETARY OF STATE, IF THE VEHICLE IS OF A BRAND OR HAS BEEN MODIFIED TO BE PARTIALLY POWERED, BUT NOT PREDOMINATELY POWERED, BY ELECTRICITY UNDER NORMAL AVERAGE CLASS OPERATING CONDITIONS, THE REGISTRATION FEE FOR THAT VEHICLE UNDER THIS SECTION IS INCREASED BY \$25.00 FOR A VEHICLE WITH AN EMPTY WEIGHT OF 8,000 POUNDS OR LESS, AND \$100.00 FOR A VEHICLE WITH AN EMPTY WEIGHT OF MORE THAN 8,000 POUNDS.**

**(8) (7)-As used in this section:**

(a) "Gross proceeds" means that term as defined in section 1 of the general sales tax act, 1933 PA 167, MCL 205.51, and includes the value of the motor vehicle used as part payment of the purchase price as that value is agreed to by the parties to the sale, as evidenced by the signed agreement executed under section 251.

(b) "List price" means the manufacturer's suggested base list price as published by the secretary of state, or the manufacturer's suggested retail price as shown on the label required to be affixed to the vehicle under 15 USC 1232, if the secretary of state has not at the time of the sale of the vehicle published a manufacturer's suggested retail price for that vehicle, or the purchase price of the vehicle if the manufacturer's suggested base list price is unavailable from the sources described in this subdivision.

(c) "Purchase price" means the gross proceeds received by the seller in consideration of the sale of the motor vehicle being registered.

Enacting section 1. The department shall implement the changes made by the amendatory act that added this enacting section no later than January 1, 2016.

Enacting section 2. This amendatory act does not take effect unless House Joint Resolution UU of the 97th Legislature becomes a part of the state constitution of 1963 as provided in section 1 of article XII of the state constitution of 1963.

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

A bill to amend 1949 PA 300, entitled "An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally

accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of manufacturers, the manufacturers of automated technology, upfitters, owners, and operators of vehicles and service of process on residents and nonresidents; to regulate the introduction and use of certain evidence; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to provide appropriations for certain purposes; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date," by amending section 801 (MCL 257.801), as amended by 2012 PA 498.

Jim Stamas  
Rob VerHeulen  
Marilyn Lane  
Conferees for the House

Arlan B. Meekhof  
Mike Kowall  
Jim Ananich  
Conferees for the Senate

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 936**

**Yeas—23**

Ananich	Hood	Kahn	Richardville
Booher	Hopgood	Kowall	Smith
Brandenburg	Hunter	Marleau	Warren
Caswell	Jansen	Meekhof	Whitmer
Gregory	Johnson	Nofs	Young
Hansen	Jones	Pappageorge	

**Nays—15**

Anderson	Emmons	Moolenaar	Rocca
Bieda	Green	Pavlov	Schuitmaker
Casperson	Hildenbrand	Proos	Walker
Colbeck	Hune	Robertson	

**Excused—0**

**Not Voting—0**

In The Chair: Hansen

**Recess**

Senator Meekhof moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 4:47 a.m.

4:52 a.m.

The Senate was called to order by the Assistant President pro tempore, Senator Hansen.

By unanimous consent the Senate returned to the order of  
**Messages from the House**

**Senate Bill No. 1105, entitled**

A bill to amend 1965 PA 314, entitled "Public employee retirement system investment act," by amending sections 12d and 13 (MCL 38.1132d and 38.1133), section 12d as amended by 2008 PA 425 and section 13 as amended by 2014 PA 185.

The House of Representatives has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

The Senate agreed to the full title.

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

**Recess**

Senator Meekhof moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 4:54 a.m.

5:18 a.m.

The Senate was called to order by the Assistant President pro tempore, Senator Hansen.

Senator Meekhof moved that rule 3.202 be suspended to permit immediate consideration of the following bill:

**Senate Bill No. 787**

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

**Senate Bill No. 787, entitled**

A bill to provide for the exemption of certain property from certain taxes; to levy and collect a specific tax upon the owners of certain property; to provide for the disposition of the tax; to prescribe the powers and duties of certain local government officials; and to provide penalties.

The House of Representatives has substituted (H-1) the bill.

The House of Representatives has passed the bill as substituted (H-1) and ordered that it be given immediate effect.

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 937**

**Yeas—37**

Ananich	Hansen	Kahn	Richardville
Anderson	Hildenbrand	Kowall	Robertson
Bieda	Hood	Marleau	Rocca
Booher	Hopgood	Meekhof	Schuitmaker
Brandenburg	Hune	Moolenaar	Smith
Casperson	Hunter	Nofs	Walker
Caswell	Jansen	Pappageorge	Warren
Emmons	Johnson	Pavlov	Whitmer
Green	Jones	Pros	Young
Gregory			



**Nays—1**

Colbeck

**Excused—0**

**Not Voting—0**

In The Chair: Hansen

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor. The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

By unanimous consent the Senate returned to the order of  
**Third Reading of Bills**

Senator Meekhof moved that the rules be suspended and that the following joint resolution, now on the order of Third Reading of Bills, be placed on its immediate adoption at the head of the Third Reading of Bills calendar:

**House Joint Resolution UU**

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

The following joint resolution was read a third time:

**House Joint Resolution UU, entitled**

A joint resolution proposing an amendment to the state constitution of 1963, by amending sections 8, 10, and 11 of article IX, to increase the maximum sales tax rate and use tax rate permitted under law, to exempt gasoline and diesel fuel from the sales tax and use tax, to dedicate a portion of sales tax revenue and use tax revenue, and to revise the permissible uses for payments from the school aid fund.

The question being on the adoption of the joint resolution,

The joint resolution was not adopted, 2/3 of the members serving not voting therefor, as follows:

**Roll Call No. 938**

**Yeas—25**

Ananich	Gregory	Johnson	Pappageorge
Anderson	Hansen	Jones	Richardville
Bieda	Hood	Kahn	Smith
Booher	Hopgood	Kowall	Walker
Casperson	Hunter	Meekhof	Warren
Caswell	Jansen	Nofs	Whitmer
Emmons			

**Nays—13**

Brandenburg	Hune	Pavlov	Rocca
Colbeck	Marleau	Proos	Schuitmaker
Green	Moolenaar	Robertson	Young
Hildenbrand			

**Excused—0**

**Not Voting—0**

In The Chair: Hansen

Senator Meekhof moved to reconsider the vote by which the joint resolution was not adopted.  
The motion prevailed.  
The question being on the adoption of the joint resolution,  
The joint resolution was adopted, 2/3 of the members serving voting therefor, as follows:

**Roll Call No. 939****Yeas—26**

Ananich	Green	Johnson	Pappageorge
Anderson	Gregory	Jones	Richardville
Bieda	Hansen	Kahn	Smith
Booher	Hood	Kowall	Walker
Casperson	Hopgood	Meekhof	Warren
Caswell	Hunter	Nofs	Whitmer
Emmons	Jansen		

**Nays—12**

Brandenburg	Hune	Pavlov	Rocca
Colbeck	Marleau	Proos	Schuitmaker
Hildenbrand	Moolenaar	Robertson	Young

**Excused—0****Not Voting—0**

In The Chair: Hansen

By unanimous consent the Senate returned to the order of  
**Messages from the House**

**Senate Bill No. 74, entitled**

A bill to amend 1976 PA 451, entitled “The revised school code,” by amending section 1310b (MCL 380.1310b), as added by 2011 PA 241.

The House of Representatives has passed the bill, and pursuant to Joint Rule 20, inserted the full title.

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was not concurred in, 2/3 of the members serving not voting therefor.

The Senate agreed to the full title.

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

By unanimous consent the Senate returned to the order of  
**Resolutions**

**House Concurrent Resolution No. 40.**

A concurrent resolution providing for the final adjournment of the Legislature.

Resolved by the House of Representatives (the Senate concurring), That when the House of Representatives adjourns on Friday, December 19, 2014, it stands adjourned until Tuesday, December 30, 2014, at 11:30 a.m.; and be it further

Resolved, That when the Senate adjourns on Friday, December 19, 2014, it stands adjourned until Tuesday, December 30, 2014, at 11:45 a.m.; and be it further

Resolved, That when the Legislature adjourns on Tuesday, December 30, 2014, it stands adjourned without day.

The House of Representatives has adopted the concurrent resolution.

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

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

The concurrent resolution was adopted.

By unanimous consent the Senate returned to the order of

**Motions and Communications**

Senator Meekhof moved that, pursuant to rule 1.114, upon receipt of Senate bills returned from the House of Representatives, the Secretary of the Senate be directed to proceed with the enrollment printing and presentation of the bills to the Governor.

The motion prevailed.

By unanimous consent the Senate returned to the order of

**Messages from the House**

Senator Meekhof moved that the following bills be placed at the head of the Messages from the House calendar:

**Senate Bill No. 113**

**Senate Bill No. 926**

The motion prevailed.

**Senate Bill No. 113, entitled**

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 27a (MCL 211.27a), as amended by 2012 PA 497.

Substitute (H-2).

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 940**

**Yeas—38**

Ananich	Gregory	Kahn	Richardville
Anderson	Hansen	Kowall	Robertson
Bieda	Hildenbrand	Marleau	Rocca
Booher	Hood	Meekhof	Schuitmaker
Brandenburg	Hopgood	Moolenaar	Smith
Casperson	Hune	Nofs	Walker
Caswell	Hunter	Pappageorge	Warren
Colbeck	Jansen	Pavlov	Whitmer
Emmons	Johnson	Pros	Young
Green	Jones		

**Nays—0**

**Excused—0**

**Not Voting—0**

The question being on concurring in the committee recommendation to give the bill immediate effect,  
 The recommendation was concurred in, 2/3 of the members serving voting therefor.  
 The Senate agreed to the title as amended.  
 The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

**Senate Bill No. 926, entitled**

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending sections 40104 and 40112 (MCL 324.40104 and 324.40112), section 40104 as added by 1995 PA 57 and section 40112 as amended by 1996 PA 316.

Substitute (H-2).

The question being on concurring in the substitute made to the bill by the House,  
 Senator Casperson offered the following amendment to the substitute:

1. Amend page 5, line 21, by striking out all of enacting section 1.

The amendment to the substitute was adopted.

The question being on concurring in the House substitute as amended,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 941**

**Yeas—38**

Ananich	Gregory	Kahn	Richardville
Anderson	Hansen	Kowall	Robertson
Bieda	Hildenbrand	Marleau	Rocca
Booher	Hood	Meekhof	Schuitmaker
Brandenburg	Hopgood	Moolenaar	Smith
Casperson	Hune	Nofs	Walker
Caswell	Hunter	Pappageorge	Warren
Colbeck	Jansen	Pavlov	Whitmer
Emmons	Johnson	Proos	Young
Green	Jones		

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Hansen

The question being on concurring in the committee recommendation to give the bill immediate effect,  
 The recommendation was concurred in, 2/3 of the members serving voting therefor.  
 The Senate agreed to the title as amended.

By unanimous consent the Senate returned to the order of

**Motions and Communications**

Senator Meekhof moved that the Committee on Families, Seniors and Human Services be discharged from further consideration of the following bills:

**House Bill No. 4927, entitled**

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

**House Bill No. 4928, entitled**

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

**House Bill No. 4991, entitled**

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

The motion prevailed, a majority of the members serving voting therefor, and the bills were placed on the order of General Orders.

**Recess**

Senator Meekhof moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 5:43 a.m.

6:13 a.m.

The Senate was called to order by the Assistant President pro tempore, Senator Hansen.

By unanimous consent the Senate returned to the order of

**Messages from the House**

Senator Meekhof moved that rule 3.202 be suspended to permit immediate consideration of the following bill:

**Senate Bill No. 789**

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

**Senate Bill No. 789, entitled**

A bill to amend 1927 PA 372, entitled "An act to regulate and license the selling, purchasing, possessing, and carrying of certain firearms, gas ejecting devices, and electro-muscular disruption devices; to prohibit the buying, selling, or carrying of certain firearms, gas ejecting devices, and electro-muscular disruption devices without a license or other authorization; to provide for the forfeiture of firearms and electro-muscular disruption devices 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 sections 1, 2a, 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5j, 5k, 5l, 5o, and 8 (MCL 28.421, 28.422a, 28.424, 28.425, 28.425a, 28.425b, 28.425c, 28.425d, 28.425e, 28.425f, 28.425j, 28.425k, 28.425l, 28.425o, and 28.428), section 1 as amended by 2012 PA 243, section 2a as amended by 2013 PA 3, section 4 as amended by 2014 PA 6, sections 5, 5a, and 5e as added by 2000 PA 381, sections 5b and 8 as amended by 2008 PA 406, sections 5c and 5d as amended by 2002 PA 719, sections 5f, 5k, and 5o as amended by 2012 PA 123, section 5j as amended by 2004 PA 254, and section 5l as amended by 2012 PA 32, and by adding section 5x; and to repeal acts and parts of acts.

The House of Representatives has substituted (H-3) the bill.

The House of Representatives has passed the bill as substituted (H-3), ordered that it be given immediate effect and amended the title to read as follows:

A bill to amend 1927 PA 372, entitled "An act to regulate and license the selling, purchasing, possessing, and carrying of certain firearms, gas ejecting devices, and electro-muscular disruption devices; to prohibit the buying, selling, or carrying of certain firearms, gas ejecting devices, and electro-muscular disruption devices without a license or other authorization; to provide for the forfeiture of firearms and electro-muscular disruption devices 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 sections 2a, 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5j, 5k, 5l, 5o, and 8 (MCL 28.422a, 28.424, 28.425, 28.425a, 28.425b, 28.425c, 28.425d, 28.425e, 28.425f, 28.425j, 28.425k, 28.425l, 28.425o, and 28.428), section 2a as amended by 2013 PA 3, section 4 as amended by 2014 PA 6, sections 5 and

5a as added by 2000 PA 381, section 5b as amended by 2014 PA 207, sections 5c and 5d as amended by 2002 PA 719, section 5e as amended by 2014 PA 204, sections 5f and 5k as amended by 2012 PA 123, section 5j as amended by 2004 PA 254, section 5l as amended by 2012 PA 32, section 5o as amended by 2014 PA 206, and section 8 as amended by 2008 PA 406, and by adding section 5x; and to repeal acts and parts of acts.

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 942****Yeas—26**

Booher	Hansen	Marleau	Proos
Brandenburg	Hildenbrand	Meekhof	Richardville
Casperson	Hune	Moolenaar	Robertson
Caswell	Jansen	Nofs	Rocca
Colbeck	Jones	Pappageorge	Schuitmaker
Emmons	Kahn	Pavlov	Walker
Green	Kowall		

**Nays—12**

Ananich	Gregory	Hunter	Warren
Anderson	Hood	Johnson	Whitmer
Bieda	Hopgood	Smith	Young

**Excused—0****Not Voting—0**

In The Chair: Hansen

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

The Senate agreed to the title as amended.

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

**Senate Bill No. 790, entitled**

A bill to amend 1927 PA 175, entitled “The code of criminal procedure,” by amending section 11b of chapter XVII (MCL 777.11b), as amended by 2012 PA 124.

The House of Representatives has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

The Senate agreed to the full title.

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

Senator Richardville moved that the Senate adjourn.

The motion prevailed, the time being 6:18 a.m.

Pursuant to House Concurrent Resolution No. 40, the Assistant President pro tempore, Senator Hansen, declared the Senate adjourned until Tuesday, December 30, 2014, at 11:45 a.m.