

**HOUSE STANDING COMMITTEE ON
TAX POLICY**

Room 519 House Office Building Wednesday 9:00 a.m. May 7, 2014

Representative Jeff Farrington, Chair, called the meeting to order.

Representative Farrington requested attendance be called to establish a quorum of the appointed committee members:

Present: Representatives Farrington, O'Brien, Genetski, Cotter, Foster, Nesbitt,
Somerville, Kelly, Barnett, Switalski, Haugh, LaVoy, and Townsend,
Absent/Excused: Representatives Lyons, and Price.

Representative Cotter moved to approve the minutes of the meeting held on May 1, 2014.

There being no objection, the motion prevailed by unanimous consent.

Representative Somerville moved to excuse the absent members.

There being no objection, the motion prevailed by unanimous consent.

The Chair laid HB 5459 and HB 5492 before the committee.

HB 5459 (Pettalia) Sales tax; distribution; portion of sales tax revenue; earmark
distribution and limit use to transportation purposes.

HB 5492 (Poleski) Use tax; distribution; 1% of use tax revenue; earmark to road
funding.

The following testified on HB 5459 and HB 5492:

John Lauve, representing himself (oppose)
Chris Kolb, representing the Michigan Environmental Council (neutral)
Ida Byrd-Hill, representing Uplift, Inc. (support)
Thomas Zerafa, representing the Michigan Coalition for Human Rights (oppose)

The following submitted testimony cards on HB 5459 and 5492:

Andrew Vermeesch, representing the Michigan Farm Bureau, (support)
Mike Johnston, representing the Michigan Manufacturers Association (support)
Brad Williams, representing the Detroit Regional Chamber (support)

Joel Batterman, representing the Metropolitan Organizing Strategy Enabling Strength (MOSES) (neutral)

Representative Cotter moved to adopt substitute (H-2) for HB 5459.

The motion prevailed by a vote of 13-0-0

FAVORABLE ROLL CALL:

Yeas: Representatives Farrington, O'Brien, Genetski, Cotter, Foster, Nesbitt, Somerville, Kelly, Barnett, Switalski, Haugh, LaVoy, and Townsend,

Nays: None,

Pass: None.

Representative Switalski offered the following amendment to HB 5459 (H-2)

1. Amend page 3, line 27, after "**FUEL**" by striking out the balance of the subsection and inserting "**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) 10% TO THE COMPREHENSIVE TRANSPORTATION FUND CREATED IN SECTION 10B OF 1951 PA 51, MCL 247.660B.

(B) THE BALANCE TO THE STATE TRUNK LINE FUND, COUNTY ROAD COMMISSIONS, AND THE CITIES AND VILLAGES OF THIS STATE, IN THE SAME PERCENTAGES DESCRIBED IN SECTION 10(1)(J) OF 1951 PA 51, MCL 247.660, AND SHALL BE USED FOR THE PURPOSES PROVIDED IN 1951 PA 51, MCL 247.651 TO 247.675."

The motion did not prevail by a vote of 5-8-0

UNFAVORABLE ROLL CALL:

Yeas: Representatives Barnett, Switalski, Haugh, LaVoy, and Townsend,

Nays: Representatives Farrington, O'Brien, Genetski, Cotter, Foster, Nesbitt, Somerville, and Kelly,

Pass: None.

Representative Townsend offered the following amendment to HB 5459 (H-2)

1. Amend page 4, line 3, after "**USED**" by striking out the balance of the subsection and inserting "**FOR PRESERVATION PROJECTS AND ACTIVITIES. AS USED IN THIS SUBSECTION:**

(A) "PRESERVATION" MEANS THAT TERM AS DEFINED IN SECTION 10C(I) OF 1951 PA 51, MCL 247.660C.

(B) "MOTOR FUEL" MEANS THAT TERM AS DEFINED IN SECTION 4 OF THE MOTOR FUEL TAX ACT, 2000 PA 403, MCL 207.1004."

The motion did not prevail by a vote of 5-8-0

UNFAVORABLE ROLL CALL:

Yeas: Representatives Barnett, Switalski, Haugh, LaVoy, and Townsend,
Nays: Representatives Farrington, O'Brien, Genetski, Cotter, Foster, Nesbitt, Somerville,
and Kelly,
Pass: None.

Representative Cotter moved to report HB 5459 with recommendation as substitute (H-2).

The motion prevailed by a vote of 11-0-2

FAVORABLE ROLL CALL:

Yeas: Representatives Farrington, O'Brien, Genetski, Cotter, Foster, Nesbitt,
Sommerville, Kelly, Barnett, Haugh, and LaVoy,
Nays: None,
Pass: Representatives Switalski and Townsend.

HB 5459 reported with recommendation as substitute (H-2)

Representative Cotter moved to adopt substitute (H-1) for HB 5492.

The motion prevailed by a vote of 13-0-0

FAVORABLE ROLL CALL:

Yeas: Representatives Farrington, O'Brien, Genetski, Cotter, Foster, Nesbitt, Somerville,
Kelly, Barnett, Switalski, Haugh, LaVoy, and Townsend,
Nays: None,
Pass: None.

Representative O'Brien offered the following amendments to HB 5492 (H-1)

1. Amend page 2, line 6, after "(3)" by striking out "**BEGINNING JANUARY, 1, 2015, FROM**" and inserting "**FROM**".
2. Amend page 2, line 20, after "(4)" by striking out "**BEGINNING JANUARY, 1, 2015, MONEY**" and inserting "**MONEY**".
3. Amend page 4, following line 1, by inserting:
"Enacting section 3. This amendatory act takes effect January 2, 2015."

The motion prevailed by a vote of 8-0-5

FAVORABLE ROLL CALL:

Yeas: Representatives Farrington, O'Brien, Genetski, Cotter, Foster, Nesbitt,
Sommerville, and Kelly,
Nays: None,
Pass: Representatives Barnett, Switalski, Haugh, LaVoy, and Townsend.

Representative O'Brien offered the following amendments to HB 5492 (H-1)

1. Amend page 3, line 13, by striking out all of enacting section 1 and renumbering the remaining enacting section.

The motion prevailed by a vote of 8-0-5

FAVORABLE ROLL CALL:

Yeas: Representatives Farrington, O'Brien, Genetski, Cotter, Foster, Nesbitt, Sommerville, and Kelly,

Nays: None,

Pass: Representatives Barnett, Switalski, Haugh, LaVoy, and Townsend.

Representative Townsend offered the following amendment to HB 5492 (H-1)

1. Amend page 3, line 8, after "**DISTRIBUTED**" by striking out the balance of the subsection and inserting "**AS FOLLOWS:**

(A) 10% TO THE COMPREHENSIVE TRANSPORTATION FUND CREATED IN SECTION 10B OF 1951 PA 51, MCL 247.660B.

(B) THE BALANCE TO THE STATE TRUNK LINE FUND, COUNTY ROAD COMMISSIONS, AND THE CITIES AND VILLAGES OF THIS STATE, IN THE SAME PERCENTAGES DESCRIBED IN SECTION 10(1)(J) OF 1951 PA 51, MCL 247.660, AND SHALL BE USED FOR THE PURPOSES PROVIDED IN 1951 PA 51, MCL 247.651 TO 247.675."

The motion did not prevail by a vote of 5-8-0

UNFAVORABLE ROLL CALL:

Yeas: Representatives Barnett, Switalski, Haugh, LaVoy, and Townsend,

Nays: Representatives Farrington, O'Brien, Genetski, Cotter, Foster, Nesbitt, Somerville, and Kelly,

Pass: None.

Representative Barnett offered the following amendment to HB 5492 (H-2)

1. Amend page 3, line 11, after "**USED**" by striking out the balance of the subsection and inserting "**FOR PRESERVATION PROJECTS AND ACTIVITIES. AS USED IN THIS SUBSECTION, "PRESERVATION" MEANS THAT TERM AS DEFINED IN SECTION 10C(I) OF 1951 PA 51, MCL 247.660C."**

The motion did not prevail by a vote of 5-7-1

UNFAVORABLE ROLL CALL:

Yeas: Representatives Barnett, Switalski, Haugh, LaVoy, and Townsend,

Nays: Representatives Farrington, Genetski, Cotter, Foster, Nesbitt, Somerville, and Kelly,

Pass: Representative O'Brien.

Representative Somerville moved to report HB 5492 with recommendation as substitute (H-2).

The motion prevailed by a vote of 10-0-3

FAVORABLE ROLL CALL:

Yeas: Representatives Farrington, O'Brien, Genetski, Cotter, Foster, Nesbitt, Somerville, Kelly, Haugh, and LaVoy,

Nays: None,

Pass: Representatives Barnett, Switalski, and Townsend.

HB 5492 reported with recommendation as substitute (H-2)

The Chair laid SB 536 before the committee.

SB 536 (Proos) Economic development; other; short-term abatement program; provide for.

The following submitted testimony a card indicating support for SB 536:

Howard Ryan, representing the Michigan Department of Treasury

Representative O'Brien moved to adopt substitute (H-3) for SB 536.

The motion prevailed by a vote of 11-0-1

FAVORABLE ROLL CALL:

Yeas: Representatives Farrington, O'Brien, Genetski, Cotter, Nesbitt, Kelly, Barnett, Switalski, Haugh, LaVoy, and Townsend,

Nays: None,

Pass: Representative Somerville.

Representative O'Brien moved to report SB 536 with recommendation as substitute (H-3)

Representative Cotter moved to clear the vote on the motion to report with recommendation SB 536 (H-3), and pass the bill for the day.

There being no objection, the motion prevailed by unanimous consent.

The Chair laid HB 5202 before the committee.

HB 5202 (McCready) Property tax; special assessments; certain special assessments placed on property; eliminate being placed as a lien on property.

The following testified on HB 5202:

Tom Trice, representing Bloomfield Township (support)

Leo Savoie, representing Bloomfield Township (support)

Derk Beckerleg, representing Bloomfield Township (support)

Brad Ward, representing the Michigan Realtors (support)

The following submitted testimony cards on HB 5202 but did not wish to speak:

Paul Connors, representing the Michigan Department of Treasury (support)

Judy Allen, representing the Michigan Townships Association (support)

The following submitted written comments/testimony:

Leo Savoie, representing Bloomfield Township

There being no further business to come before the committee, the Chair adjourned the meeting, the time being 10:05 a.m.

Representative Jeff Farrington, Chair

Date Approved and Signed

David C. Mead
Committee Clerk
May 7, 2014
65 minutes