THE LIFE OF THE PARTY

What’s next for the TEA Party activists?

BY KENNETH M. BRAUN AND JACK MCHUGH

According to one widely relied upon estimate offered by Americans for Tax Reform, more than 15,000 Michigan residents and 268,000 Americans overall turned out on April 15 at more than 200 rallies across America to express their frustration with a political class that is squandering their freedom and their money and spending them into unprecedented debt. In front of Michigan’s state capitol, the attendance was estimated at 5,000. In the days since, many of the attendees and rally organizers have begun to ask what

DON’T TREAD ON ME

POLITICALLY CORRECT CAPITALISM

Is your business loved or spurned by Lansing?

BY KENNETH M. BRAUN

Does providing substantial tax relief create jobs and fuel economic growth?

As Michigan’s economy plummets toward a full decade of job losses, the rhetoric in the state capitol would lead you to think that Lansing’s partisan combatants profoundly disagree regarding the answer to this question. But they don’t. The dirty little secret is that Gov. Jennifer Granholm and nearly every state lawmaker believe the answer to be “YES!”

Where they don’t agree is over what kind of businesses are worthy of tax relief. Some believe that government should provide broad-based tax relief — a fair field with no favors that fosters an environment in which everyone can prosper. But on the other side, the governor and a large bipartisan majority of state lawmakers believe that they are clever enough to act as central planners who know which companies and industries will be most successful and thus most deserving of special tax favoritism. This second approach is the driving force behind most of Michigan’s current economic policy.

Exhibit A is the Michigan Business Tax. During the summer of 2006, a voter-initiated law was approved by the Legislature that repealed the state’s hated Single Business Tax and directed the politicians to create a new tax that was “less costly to employers” and “more equitable.” As a replacement, the governor and the Legislature created the MBT, which slashed taxes by 97 percent on domestic automakers.

REGULATION WITHOUT REPRESENTATION

BY RUSSELL HARDING

Michigan’s economy is dragging, and the state is losing jobs. Some pundits have proposed reductions in Michigan’s above-average state and local tax burden, but almost no one has called publicly for reducing the damage caused to our economic climate (and to effective regulatory practices) by Michigan’s unnecessarily burdensome environmental regulations.

The Michigan Legislature can begin to correct the problem by passing a law that curtails the Michigan Department of Environmental Quality’s ability to issue regulations that are more stringent than those of the federal government. Such a law wouldn’t hurt the environment; in fact, a
Are you new to Michigan Capitol Confidential?

Many of you have already e-mailed, written or phoned us to say that you’d like to remain on the mailing list for Michigan Capitol Confidential. If you haven’t contacted us yet, but would like to remain on our mailing list, please let us know!

If you are reading this newspaper for the first time, thank you for taking the time to look over this publication from the Mackinac Center for Public Policy. We selected you for this mailing because you have shown an interest in the public policy issues that we discuss. Inside, you will find a review and analysis of important state legislative policy issues that does not always receive attention from the general media. Every two months we send this publication to make it easier for you to keep tabs on your elected representatives in Lansing.

Subscriptions are FREE, but to remain on our mailing list you must let us know by sending your name and home address. Enclosed is a postage-paid business reply envelope to make this easier – just fill in your name and address and send it in! Even easier still – just put the same information in an e-mail and send it to MiCapCon@Mackinac.org.

When you write to us, please feel free to include the names and addresses of family and friends who you think will enjoy Michigan Capitol Confidential as much as you do.

Additionally, you can help us keep Michigan Capitol Confidential coming to households just like yours by joining the Mackinac Center for Public Policy. The Center is dedicated to providing a free-market perspective on public policy issues that impact the Michigan economy. We provide that perspective through timely policy studies, commentaries, interaction with media and policymakers, and events for targeted audiences throughout the state. Our issues are economic in focus, but as diverse as taxation; government budgeting; science, environment and technology policy; labor policy; privatization; property rights; and general economic education.

The Mackinac Center's mission is to educate Michigan residents on the value of entrepreneurship, family, community, private initiative and independence from government. We believe, as our country’s Founders did, that liberty and sound policy can never be taken for granted. Their preservation requires vigilance during each generation from both us and citizens like you.

If you share this goal, we would welcome your generous contribution to the Mackinac Center in any amount. Even a $40 donation is a tremendous help. The Mackinac Center is a 501(c)(3) educational institute, and your donation is deductible on your federal income taxes.

Thank you for any help you may be able to give us – and don’t forget to let us know if you want to continue your FREE subscription to Michigan Capitol Confidential!

Sincerely,

Kenneth M. Braun, Senior Managing Editor, Michigan Capitol Confidential

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CAPITOL CONFIDENTIAL
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989-631-0900
Escort Service?
Readers React

BY KENNETH M. BRAUN

The contest was introduced with the November/December 2008 issue, following numerous reports from readers that some lawmakers had begun to deny their own legislative records when confronted by Michigan Capitol Confidential readers.

We don’t yet have an award for politicians who have the integrity to publicly fess up when they think they’ve made an error, but when we do we’ll probably call it “The McMillin.” On this page, please also note an e-mail that Rep. Tom McMillin sent to us, wherein he owns up to his co-sponsorship of HB 4229, apologizes for it, and pledges to work for its defeat in the future.

Special thanks to Mr. Reb and Rep. McMillin for their roles in providing this civics lesson showing how citizens can have influence when they speak up to their elected officials.

The contest will continue with winners announced periodically in forthcoming issues of Michigan Capitol Confidential. Entries must be either a note to a lawmaker or a published letter in a newspaper, and must also reference the article from Michigan Capitol Confidential.

Subscribers may submit entries to:
Michigan Capitol Confidential c/o Contest
140 West Main Street
PO. Box 568
Midland, MI 48640
-or- micapcon@mackinac.org

Please remember to include your own name, address and contact information with the entry.

CONTEST WINNER!

Mr. Reb is a winner of the Michigan Capitol Confidential letter contest and will receive the framed original of the Henry Payne cartoon from the front page of the Mar/April 2009 issue. Readers who mention “Michigan Capitol Confidential” when writing to lawmakers or newspapers are encouraged to send us their submissions.
LIFE OF THE PARTY
from Page One

comes next, wisely and intuitively knowing that their impressive and spontaneous numbers can accomplish great things but only if they can translate the emotion into concrete and calculated action.

Samuel Adams, widely believed to be the instigator of the Boston Tea Party, once said that it didn’t take an activist majority to prevail, “but rather an irate, tireless minority keen to set brush fires in people’s minds.”

Setting brushfires requires attitude, especially during a time described by Adams, “when vain and aspiring men shall possess the highest seats in Government, (and) our country will stand in need of its experienced patriots to prevent its ruin.”

The following describes an attitude that, if widespread, would vastly improve the incentives of lawmakers to honor the principles of limited government.

They’re all nice guys, so get over it and ignore it. Hold them accountable for their deeds rather than their smile. The Tea Parties were a reaction against a lot of very nice guys doing very bad things.

1. Tea Party activists aren’t impressed that their politician is a “nice guy.”

Being likeable isn’t needed for a person to succeed in America. An insufferable jerk can build a billion-dollar corporation from scratch, employ thousands, save the whales and cure cancer.

What he can’t do is win an election. To gain votes in a democracy a candidate must treat the promises of politicians and political parties with equal (and substantial) skepticism. Use political parties only as tools toward your ends, not theirs. Your loyalty is too valuable to sell so cheaply.

Therefore, the last thing that should ever impress a Tea Party activist is a politician who’s a “nice guy.” Simply put: They’re all nice guys, so get over it and ignore it. Hold them accountable for their deeds rather than their smile. The Tea Parties were a reaction against a lot of very nice guys doing very bad things.

2. Tea Party activists don’t presume virtue in party labels.

Political parties are extensions of the politicians that they elect. They are mere instruments to gain power, not virtuous machines that exercise that power in noble ways.

Example: During the term of President Bill Clinton the budget actually had a brief surplus, while spending soared under President George W. Bush. Likewise, while Michigan Republican lawmakers boasted of their collective resistance to the $1.4 billion income and business tax hikes passed in 2007, most of them voted for most of the increased spending it funded.

There are countless other examples. An experienced patriot treats the promises of politicians and political parties with equal (and substantial) skepticism. Use political parties only as tools toward your ends, not theirs. Your loyalty is too valuable to sell so cheaply.

3. Tea Party activists really know their own lawmakers’ voting records.

If the “nice guys” aren’t a reliable source for a full and accurate picture of their records, and the party label doesn’t do it either, then experienced patriots need to find this information on their own.

At the state level, two free tools make this much easier in Michigan. The first is MichiganVotes.org, which provides a plain-English description for every vote cast by every member of the Michigan Legislature since 2001. The second is MichiganCapitol Confidential, a periodical that gives more details on votes involving concerns regarding limited government.

An experienced patriot should use both of these tools, and compare how his or her lawmaker measures up by asking these critical questions:

• Does the lawmaker always vote with their party, no matter what?
• If there are a handful of dissenting votes for or against the limited government side of an issue, which side does he or she tend to fall on?
• Do most of the bills he or she introduces expand the size of government, or reduce it?

4. Tea Party activists follow the money.

Is your lawmaker getting financial support from those whose values do not match up with your own? It’s not hard to find out. For most past and current Michigan legislators, go to the “Search Voting Record” tab on the MichiganVotes.org homepage, choose a representative or senator and click “search.” A link to a list of the legislator’s campaign contributors appears below his or her photo. For members of Congress find this information at OpenSecrets.org. (Go to “Politicians and Elections,” “Donor Lookup”)

5. Tea Party activists know they don’t have to get elected to change the world.

They understand that electing a handful of virtuous lawmakers won’t solve the problem either, because what must change are the incentives operating on the entire political establishment. Here’s how Milton Friedman described it:

“I do not believe that the solution to our problem is simply to elect the right people. The important thing is to establish a political climate of opinion which will make it politically profitable for the wrong people to do the right thing. Unless it is politically profitable for the wrong people to do the right thing, the right people will not do the right thing either, or if they try, they will shortly be out of office.”

More often than not the most important effect of an election is who gets defeated, not who gets elected. When a politician loses for “doing the wrong thing” the incentives change for all of them.

6. Tea Party activists don’t repress their feelings regarding fiscal malpractice.

Having discovered the real records of elected officials in their own area and elsewhere (see Items No. 3 and 4), Tea Party activists share this knowledge widely with friends, family, colleagues, internet contacts, etc., letting all and sundry know how their lawmakers are behaving, and sharing their feelings regarding the ones who are misbehaving.

7. Tea Party activists focus on what unites them, not things that may divide. Those uniting things are:

• Grievance: Chronic fiscal irresponsibility, now become acute fiscal extremism.
• Target: A self-serving, self-perpetuating political class that no longer represents the will of the people.
• Goal: Restore genuine representative, limited government by changing the incentives on elected officials.

Kenneth M. Braun is a policy analyst and Jack McHugh is senior legislative analyst at the Mackinac Center for Public Policy. The authors may be contacted at braun@mackinac.org and mchugh@mackinac.org. For an opportunity to comment on this article, please see the original version of it at www.mackinac.org/10508.
SMALL BUSINESSES VOTE DOWN “GIVE AWAY” PROGRAMS

Small business owners have had it with state-sponsored “give away” programs targeted to pet industries or businesses, according to an April 9 press release from the Michigan chapter of the National Federation of Independent Business. (See related cover story, Politically Correct Capitalism.)

In a recent survey returned by more than 600 of its members a single question was asked:

“Do you support tax credits and economic incentives targeted to a specific company or industry? In recent years, state government has attempted to attract specific companies and certain industries to Michigan by offering generous tax credits and other incentives. Similar incentives have been offered to companies already in the state that promise to expand and create new jobs. Recent examples include incentives for the movie industry, alternative energy, life sciences and high technology companies.”

Sixty-seven percent of the respondents answered in opposition; just 21 percent were in favor of the special tax credit policy and 12 percent were undecided.

“Many small businesses believe that the tax hikes they have seen from the Michigan Business Tax (MBT) are directly taking money out of their pocket to fund these other businesses and they don’t like it,” observed Charlie Owens, NFIB’s state director. “They see clearly that as more tax dollars are lavished on whatever ‘pet’ industry is popular at the moment, there is less money available to improve the overall state business economy and tax climate so that all businesses have an even playing field to compete and create jobs.”

Owens states that NFIB-Michigan has a membership of about 10,000 who represent “a cross section” of the state’s small business community, from manufacturing and construction to retail, finance, real estate, farming and more. The average member has five employees and annual sales of $500,000.

Michael LaFaive, director of the Mackinac Center’s Morey Fiscal Policy Initiative, has profiled two instances where state government has used these special favors to lure out-of-state rivals to come into Michigan and compete with long-established Michigan job providers.

During December of 1999, Boar’s Head Provisions, a New York-based meat products company, opened a facility near Holland, Mich., after receiving a $5.1 million “economic development package” from the Michigan Economic Development Corp. The MEDC is the state’s main facilitator of the special incentives that were the subject of the NFIB poll. The agency crowed in a press release that its work would help Boar’s Head add “new jobs” to the Michigan economy.

Writing in 2000, LaFaive noted that the MEDC’s media release displayed indifference regarding the impact of their efforts on the 110 jobs then being provided by Koegel Meats Inc., of Flint, Mich., (www.mackinac.org/2729.) Like Boar’s Head, Koegel is in the meat products business, making among other things the “Vienna Frankfurters” that have been a mainstay of summer grilling in Michigan for generations. But unlike the new competition being lured in from New York by state government, LaFaive noted that Koegel had been a Michigan business since 1916 and had “always paid its taxes and never took a dime of taxpayer money: no abatements, no subsidies.” LaFaive asserted that all Michigan taxpayers, including the Koegel family, were “being forced to help subsidize a New York firm that will compete directly with Koegel Meats.”

Similarly, in 2002, LaFaive profiled Jay’s Sporting Goods, another well-known and established Michigan job provider that one day discovered that the MEDC was going to give special favors to an out-of-state business rival (www.mackinac.org/4475.) In this case Cabela’s — a “mammoth” outdoor goods catalog retailer — received $27.8 million worth of special incentives in exchange for putting up a 200,000 square-foot outlet store in Dundee, Mich.

As with Koegel, LaFaive noted that Jay’s had been operating as a family business in Michigan for decades and had grown to two 100,000 square-foot stores for outdoor enthusiasts without ever “taking a dime of taxpayer money.”

“When I first learned that our competition would get state assistance, I was flabbergasted,” one member of the family that owns Jay’s told LaFaive. “It sometimes makes you wonder who you are working for.”

COPS, CARS, BOATS AND BANKRUPTCY

The May 14 edition of the MIRS Capitol Capsule newsletter carried a pair of stories about two annual summer events in Michigan and how they relate to the state’s deteriorating economic climate (www.mirsnews.com — subscription required.)

One story highlighted the changed atmosphere expected at the Detroit Regional Chamber of Commerce’s annual policy conference held in late May on Mackinac Island. Unlike previous years, financially embattled domestic automakers such as General Motors and Chrysler were not expected to be “sponsoring any parties” or “handing out bags or backpacks stitched with their logo.” Additionally, attendance by state lawmakers was expected to decline because of reduced sponsorships from many companies — such as automakers — who had previously been underwriting the cost of the trip for some legislators.

“The companies that took TARP [Troubled Asset Relief Program] and the auto-related companies aren’t sponsoring anything right now,” Sarah Hubbard, DRCC vice president of government affairs, told MIRS.

Also that day, MIRS carried a story that Travel Michigan, a branch of the Michigan Economic Development Corp., had announced that for the first time ever it was going to become the “title sponsor” of the annual Port Huron to Mackinac Island sailboat race. The newsletter says that the state agency will be paying $100,000 for the sponsorship.

Responding to criticism that the expenditure was ill-timed in relation to the state economy, projected state budget overspending of up to $2 billion and the recently announced layoff of 100 state police troopers, the president of Travel Michigan noted that the sponsorship was a comparatively trivial portion of the state budget and that it “introduces Michigan to the country as a destination” because the agency plans to integrate it into a national expansion of its “Pure Michigan” marketing campaign.

The race has apparently already been bringing attention to Michigan without the MEDC assistance. MIRS notes that 2009 will be the event’s 85th year of operation and that it is expected to draw 250 boats and 2,500 sailors. The Travel Michigan president is quoted as saying that the race already has an international reputation.

The Travel Michigan president also told the newsletter that his budget had been increased from $6 million in 2005 to $30 million this year.

RENDER UNTO CAESAR?

On May 20, 2009, the Michigan Senate approved Senate Bill 128, a proposal that would order the Michigan Secretary of State to develop a “fundraising” specialty license plate with the words “In God We Trust” inscribed on it. Sponsored by State Sen. Cameron Brown, R-Fawn River, the bill would also require that all money raised by purchases of these plates be turned over to state government’s general fund, where it can be spent on whatever state program lawmakers and the governor decide to use it for. According to a Senate Fiscal Agency memo, motorists choosing to purchase the special plate would each pay an additional $15. Brown, who is term-limited, is planning to run for Secretary of State in 2010.

Six other bills — authorizing many other specialty plates — were also approved on this day for tags identifying Habitat for Humanity, the Boy Scouts and more. A handful of lawmakers voted against each of these bills. The reason for the opposition, according to statements made by some lawmakers in the Senate Journal, was because of a desire to respect the Michigan Department of State Police’s concerns that the proliferation of different plates will impede troopers’ ability to identify vehicles on the roadway.

Twenty-eight senators, including the entire Republican caucus and eight Democrats, voted in favor of Senate Bill 128. Eight lawmakers were opposed.

Unlike Senate Bill 128, the revenue generated from some of the other specialty plates would be turned over to specific charitable causes designated by the organizations indicated on the plates. For example, a “Ducks Unlimited” plate would give the additional revenue to the Michigan chapter of Ducks Unlimited so that this group can “protect, enhance, restore, manage and acquire” wetlands.

The specialty license plate bills approved on May 20 in the Senate are now under consideration in the House of Representatives.

For additional information and an opportunity to comment on these issues, please see www.mackinac.org/10529.
POLITICALLY CORRECT
from Page One

But this new tax was just as expensive overall as its predecessor and less equitable. It “makes up” for the tax cuts on car companies by raising the tax rate on many other Michigan businesses. This tax prejudice has since been compounded by the addition of a 22 percent surcharge to the MBT, costing Michigan's job providers in excess of $600 million more per year.

The premise underlying the new MBT is that tax relief is vitally important to prosperity, but only if a business model—such as that of the domestic auto industry—wins the economic stamp of approval from the governor and a majority of the Lansing political class. And the Detroit Three are not alone: Within months of the MBT’s creation, bills were passed by the Legislature and signed into law by the governor that provide significant relief or tax credits to hybrid vehicle makers, ethanol gas stations, the North American International Auto Show, companies that rehabilitate historic buildings, and much more.

In some cases these were “refundable” credits, meaning that the state treasury will send a check for the difference to the business. Stellar work that takes place in “core communities.”

“We’re going to grow this industry and in the process, grow our economy and create jobs,” remarked Gov. Granholm as she signed the bills to provide the special tax breaks.

Last year, film production companies used this provision to escape tax liabilities and acquire subsidies totaling $48 million. In future years, the tax rebate for filmmakers is projected to climb to more than $200 million — fully one-third of the additional taxes being imposed on other Michigan businesses by the MBT’s surcharge. In exchange for the first $48 million in lost tax revenue, a Michigan State University review of the film incentive program estimates that the film crews brought in economic activity of just $65.4 million to Michigan in the form of wages, lodging, meals and more.

This is $1.36 in economic activity for every dollar of taxes that went unpaid by movie producers in 2008. In 2007, the year before these film tax credits were in place, Michigan taxpayers forked over $26 billion in taxes and fees from all sources to state government while producing $338.6 billion in economic activity — $13.02 worth of prosperity for every dollar of tax revenue that was paid.

How much wealth creation did not take place because Lansing politicians thought special tax breaks for industries like film production was a better economic policy than broad-based tax relief to everyone? Just one entrepreneurial family in Oakland County shows the other side of state government’s tax prejudice.

Jerry Grubb owns the Wee Discover preschool in Waterford Township. He doesn’t make movies or cars or provide any of the other politically correct goods and services favored by Michigan’s political class, he just employs people to take care of little kids. For 2008, the new MBT and its surcharge will jack up taxes on his business by an estimated 334 percent. Likewise, his brother Bill owns Star EMS, an ambulance service in Pontiac. Bill’s MBT liability for 2008 will jump from $71,000 to $115,000.

(A video profiling the Grubboes may be viewed at www.mackinac.org/10439.)

What improvements or expansions or new hiring is not taking place at these established and loyal Michigan businesses — and many others like them — because they must now pay many tens of thousands each year in additional business taxes? Meanwhile, for 2009 Lansing politicians have been busy creating more refundable tax credits allowing additional politically correct companies and industries to escape from the onerous MBT and its hefty 22 percent surcharge.

On May 12, Gov. Granholm signed into law 2009 Senate Bill 466. According to MichiganVotes.org, this will “authorize a $100 million refundable Michigan Business Tax credit and other subsidies” for a subsidiary of a Korean battery company for a plant in Michigan. A refundable tax credit that could sometimes become an outright subsidy just like the movie tax exception, MichiganVotes.org also notes that this provision is an expansion of an existing batch of “subsidies” granted to other companies.

One month earlier, the governor signed 2009 House Bill 4515. MichiganVotes.org says this one expands “from one to three the number of refundable, $100 million, capital investment Michigan Business Tax credit

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Check MichiganVotes.org

“Politically Correct Capitalism” Lawmakers who voted to INCREASE SUBSIDIES for plug-in traction battery packs used in electric cars:

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| HOUSE REPUBLICANS (4)    |  |
| Agerma (R)               | Amash (R)        |
| Genetski (R)             | McMillin (R)     |

| HOUSE DEMOCRATS (NONE)   |  |
| Legislators who DID NOT VOTE: Rep. Johnson (D) |

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Lawmakers who voted AGAINST INCREASING SUBSIDIES for plug-in traction battery packs used in electric cars:

| SENATE REPUBLICANS (NONE) |  |
| HOUSE REPUBLICANS (NONE)  |  |

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2009 Senate Roll Call 83 on HB 4515
2009 House Roll Call 96 on HB 4515
agreements that could be entered into with makers of plug-in traction battery packs used in electric cars. This too, is an expansion of an existing special tax favor.

Only a handful of lawmakers opposed the creation of these refundable tax credits, thus signaling that only a small minority in Lansing opposes the subsidizing of one business by another. The MichiganVotes.org roll call votes for SB 466, HB 4515, and the film tax credit are below.

On Jan. 14, 2009, the Michigan Senate approved a bill to repeal the 22 percent surcharge on the MBT and sent it to the House of Representatives. This bill and four others like it introduced by members of the House have not been brought up for a vote in that chamber.

Kenneth M. Braun is the senior managing editor of Michigan Capitol Confidential. He may be reached at braun@mackinac.org. For additional information and an opportunity to comment on the legislation referenced in this article, please see www.mackinac.org/10529.

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### Check MichiganVotes.org

**“Politically Correct Capitalism”** Lawmakers who voted to GIVE SUBSIDIES for Michigan film production:

**SENATE REPUBLICANS (20)**
- Allen (R) to Cropley (R)
- Birkholz (R) to Jelinek (R)
- Bishop (R) to Patterson (R)
- Brown (R) to Richardville (R)
- Cassis (R) to Van Woerkom (R)

**SENATE DEMOCRATS (16)**
- Anderson (D) to Cherry (D)
- Barcia (D) to Hunter (D)
- Bishop (D) to Schauer (D)
- Brown (D) to Sheehan (D)
- Cassis (R) to Van Woerkom (R)

**HOUSE REPUBLICANS (65)**
- Ball (R) to Whiter (D)
- Brown, T. (D) to Walsh (R)
- Cushingberry (D) to White (D)
- DeShazer (D) to Whitmer (D)
- Eisenhauer (R) to Wolf (D)

**HOUSE DEMOCRATS (66)**
- Anger (D) to Whittaker (D)
- Barnett (D) to Williams (D)
- Bauer (D) to Williams (D)
- Bishop (R) to Williams (D)
- Brown, T. (D) to Williams (D)

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Lawmakers who voted AGAINST INCREASING SUBSIDIES for electric car battery makers:

**SENATE REPUBLICANS (None)**

**SENATE DEMOCRATS (None)**

**HOUSE REPUBLICANS (6)**
- Agama (R) to McMillin (R)
- Amos (R) to Pappageorge (R)
- Brandenburg (R) to Patterson (R)
- Byrum (D) to Pross (R)
- Cushingberry (D) to Pross (R)

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Legislators who DID NOT VOTE:

Rep. Ball (R) to Sen. Garcia (R)
A good example of such this type of perverse result is the 2000 ban in Michigan on directional drilling for oil and gas under the Great Lakes. The ban might have been justified if there had been any measurable danger of pollution of the Great Lakes.

But there was not, according to the Michigan Environmental Science Board, which studied the issue and published a report before the ban was instituted. The result was to prevent the use of an innovative technology that is often employed to tap known oil and gas reserves without destroying pristine environments. Thwarting the use of this technology merely increases the likelihood that more environmentally damaging oil and gas operations will enjoy a heightened demand for their product.

Gov. Jennifer Granholm consulted with business leaders to learn what their biggest concerns were regarding business competitiveness. At the top of their list was the ease and certainty of obtaining environmental permits.

Ironically, the directional drilling ban was passed by the Michigan Legislature. This certainly helps demonstrate that there is little reason to fear that if the DEQ is reined in, elected officials will callously dismiss environmental concerns for the sake of helping businesses.

A law restraining the DEQ, however, would still benefit Michigan’s economy. Early in her administration, Gov. Jennifer Granholm consulted with business leaders to learn what their biggest concerns were regarding business competitiveness. At the top of their list was the ease and certainty of obtaining environmental permits.

State environmental permitting is often the first gate that a business must pass through before it can operate. This difficult environmental permitting process would be eased in Michigan if businesses were able to comply with broadly understood federal standards, rather than the environmentally unnecessary requirements Michigan has tacked on. These extra permitting barriers add insult to injury given Michigan’s onerous tax structure and labor relations issues.

About one-third of U.S. states have already adopted laws preventing state regulators from exceeding federal standards without some sort of additional review. One reason they have done so is precisely because lawmakers in these states have learned that environmental regulations exceeding federal standards are often unrealistic and unjustifiable, and that such regulations make it very difficult for their state to compete with other states in attracting new businesses.

Another reason they have been comfortable tying their state more firmly to federal regulations is that the U.S. Environmental Protection Agency, despite some initial delays, has recently done a better job than it used to of finalizing environmental standards and providing a uniform framework for large regions. Two examples of this are the Great Lakes Initiative, in which water quality standards have been made consistent throughout the Great Lakes Basin, and the establishment of federal technology standards for sources of toxic air emissions. In the vast majority of cases, these two sets of standards have now removed the need for states to create their own rules.

“No-more-stringent” laws passed by states vary in what they require. Some states, such as South Dakota and Idaho, have outright prohibitions on rules that go beyond federal requirements. An approach used by a number of states — Florida, Pennsylvania, Wisconsin, Ohio, Indiana, Maine and Utah — requires more extensive reviews and justification for proposed regulations that are more stringent than federal requirements. Montana’s approach is similar, but also requires public hearings and a peer-reviewed scientific justification before more stringent environmental requirements can be considered. In New Jersey in 1994, then-Governor Christine Todd Whitman (later head of the EPA) did not wait for the state Legislature to act, but instead signed an executive order that prohibited state agencies from exceeding federal requirements.

Adoption of a “no-more-stringent” law would send the right message to current and prospective job providers about Michigan, telling them that the state is serious about creating a more predictable regulatory process and exploring more flexible arrangements for protecting the environment.
IS THE PORTAGE PUBLIC SCHOOLS’ BOARD OF EDUCATION GOING TO SHOW MICHIGAN THE MONEY?

On Jan. 16, 2009, the Farmington Public Schools wrote a check for $362.83 to Jean’s Hardware. What did they buy? What other checks did they write?

Thomas Jefferson envisioned that the finances of government should be “as clear and intelligible as a merchant's books,” allowing “any man of any mind” to “comprehend them, to investigate abuses and consequently to control them.” Because the Farmington Public Schools puts its check register online — making the district’s finances an open book to anyone with a Web browser — all that is needed to make Jefferson’s vision a reality is curiosity and less than five minutes of your time.

Anybody can do it, any time, without an appointment. And you don’t need to ask for permission: Farmington doesn’t even bother to know who is checking or why.

But to get this same information from most of Michigan’s other school districts you will need to ask them first. You might even need to know how to file a Freedom of Information Act request that tells them who you are; it might cost you money; and you may have to wait more than a week for it to arrive.

Michigan Capitol Confidential readers: The “Show Michigan the Money” project needs YOUR help!

The Michigan House Fiscal Agency reports that the state’s public school districts collectively spend more than $17 billion of the taxpayers’ money each year. The goal of the Show Michigan the Money project is to get all of the state’s 551 school districts to follow Farmington’s example.

Log on to check our listing of every school whose checkbook is an open book: www.showmichiganthemoney.org/9329.

Chances are you won’t see your local school district on the list. If you don’t, we’d like you to contact district officials and ask them to participate.

You may do this by writing, phoning or e-mailing your superintendent or school board members. Or — best yet — attend a school board meeting and ask in person. Sometimes, all that you need to do is ask nicely: Farmington and several other districts on our list made plans to provide online check registers within just days of us making the request.

Please encourage your schools to check out our Web site and contact project director Kenneth M. Braun (braun@mackinac.org) with questions or to let him know that they have decided to show Michigan the money! Michigan Capitol Confidential will report the results in forthcoming issues.
Does your representative sell pinto beans? Probably not. But it’s possible to sell pinto beans in Michigan's 38th House district.

Lawmakers segregate themselves by party in matters of daily meetings to seating. They have separate and taxpayer-financed policy staffs to provide them with research and advice from differing perspectives. As such, gaining a full understanding of the vote of an individual lawmaker requires knowing his or her partisan affiliation.

Supplements are paid to the following 12 legislative officers:

- Speaker of the House: $27,000
- Majority leader in the Senate: $26,000
- Minority leaders in both House and Senate: $22,000
- Majority floor leaders in both House and Senate: $12,000
- Minority floor leaders in both House and Senate: $10,000
- Chair of Appropriations Committee in both House and Senate: $7,000
- House speaker pro tempore and Senate president pro tempore: $5,513

In more than 30 states, the position of state legislator is a part-time job with a salary of $30,000 or less. Texas — the second most populous state and second largest geographically — pays lawmakers $7,200 per year.

Some pay much less: New Hampshire legislators are paid a salary of $200 for a two-year term of office, Alabama pays $10 per day and New Mexico offers no salary at all — just expenses.

WHY WE GIVE PARTY AFFILIATIONS:
The Legislature is managed as a partisan institution. Lawmakers segregate themselves by party in matters of daily meetings to seating. They have separate and taxpayer-financed policy staffs to provide them with research and advice from differing perspectives. As such, gaining a full understanding of the vote of an individual lawmaker requires knowing his or her partisan affiliation.

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A sampling of proposed state laws, as described on MichiganVotes.org

To comment on these bills, please see www.mackinac.org/10529

SENA TE BILL 215
Expand duties and rename state government Commission on Spanish-Speaking Affairs
Introduced by state Sen. Valde Garcia, R-Howell

The bill proposes to change the name of the state government Commission on Spanish-Speaking Affairs to the "Hispanic/Latino Commission," and require this commission to "coordinate a Hispanic Heritage Month celebration," a Cinco de Mayo celebration, and a Cesar Chavez day celebration in addition to its current duties. These include securing "appropriate recognition of Spanish-speaking accomplishments," advising the governor and legislature on the "coordination of state programs serving Spanish-speaking people" and on "the nature, magnitude, and priorities of the problems of Spanish-speaking people," etc.

SENA TE BILL 357
Regulate flag pole construction
Introduced by state Sen. Gilda Jacobs, D-Huntington Woods

The bill proposes to extend state regulations on public playground equipment to include flagpoles, and require public flagpoles to be made of aluminum or a material that is considered by the industry to be high strength and lightweight material. The bill is introduced following the recent death of a child when a flag pole fell on her in a wind storm.

SENA TE BILL 470
Mandate beer keg buyer’s tags
Introduced by state Sen. Alan Sanborn, R-Richmond

The bill proposes to require retailers to attach an identification tag signed by the buyer to kegs of beer when they are sold, and not return the keg deposit unless the tag is still on the keg, subject to a $250 fine for failing to do either. A non-retailer possessing a keg without the tag would be subject to a $500 fine and 93 days in jail.

SENA TE BILL 315
Encourage certain school labor union lessons
Introduced by state Sen. John Gleason, D-Flushing

The bill proposes to encourage public middle and high schools to focus the content of any instruction about U.S. labor history on the establishment of the AFL, CIO, UAW and others; the 1936 "Flint Sitdown Strike"; Walter Reuther; the (presumably negative) effects of NAFTA; and more.