

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 256

A bill to amend 2008 PA 398, entitled
"Michigan supply chain management development commission act,"
by amending the title and sections 1, 2, 3, and 4 (MCL 125.1891,
125.1892, 125.1893, and 125.1894).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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TITLE

An act to create the ~~Michigan supply chain management~~
~~development commission~~ **FOR LOGISTICS AND SUPPLY CHAIN**
COLLABORATION; to prescribe the powers and duties of the
commission; and to provide for certain regulations.

Sec. 1. This act shall be known and may be cited as the
~~"Michigan"~~ **COMMISSION FOR LOGISTICS AND** supply chain management
~~development commission~~ **COLLABORATION** act".

1 Sec. 2. As used in this act:

2 (a) "Commission" means the ~~Michigan~~ **COMMISSION FOR LOGISTICS**
3 **AND supply chain management development commission** ~~COLLABORATION~~
4 created under section 3.

5 (b) "Supply chain management" means an integrated approach to
6 planning, implementing, and controlling the flow of information,
7 materials, and services from raw materials to the distribution of
8 the finished product to the end customer. Supply chain management
9 includes the process of collaborating horizontally among suppliers,
10 retailers, and customers to create value. Supply chain management
11 also includes manufacturing, technology, distribution, warehousing,
12 marketing, logistics, all modes of transportation, and focuses on
13 eliminating points of friction at borders, the adoption of
14 efficiencies, and improving global collaboration.

15 Sec. 3. (1) The ~~Michigan~~ **COMMISSION FOR LOGISTICS AND** supply
16 chain ~~management development commission~~ **COLLABORATION** is created
17 within the ~~department of treasury~~ **MICHIGAN STRATEGIC FUND UNDER THE**
18 **MICHIGAN STRATEGIC FUND ACT, 1984 PA 270, MCL 125.2001 TO 125.2094.**

19 (2) The commission shall create a road map for attracting,
20 supporting, marketing, and growing the international trade, supply
21 chain, and logistics industries by advising on the development and
22 coordination of state transportation and economic development
23 policies. Based upon an inventory of industry needs and state
24 strengths and an economic multiplier impact analysis, the
25 commission shall study and design programs to provide incentives
26 and otherwise support these growth industries through workforce
27 development, ~~tax incentives,~~ **BUSINESS DEVELOPMENT**, recruitment,

1 marketing, and other activities.

2 (3) The commission shall be made up of the following members:

3 (a) The president of the Michigan strategic fund **OR HIS OR HER**
4 **DESIGNEE.**

5 (b) The director of the state transportation department **OR HIS**
6 **OR HER DESIGNEE.**

7 (c) The director of the department of ~~environmental~~
8 ~~quality.~~ **AGRICULTURAL AND RURAL DEVELOPMENT OR HIS OR HER DESIGNEE.**

9 ~~— (d) The state treasurer.~~

10 (D) ~~(e) Two individuals~~ **ONE INDIVIDUAL** who are ~~residents~~ **IS A**
11 **RESIDENT** of this state and who ~~live within 1 mile of an~~
12 ~~international border crossing, airport, rail yard, intermodal~~
13 ~~facility, port, or other major transportation infrastructure that~~
14 ~~has significant impacts on the local residential community,~~ **HAS**
15 **EDUCATION IN, EXPERIENCE WITH, OR KNOWLEDGE OF SUPPLY CHAIN**
16 **MANAGEMENT AND LOGISTICS, INCLUDING, BUT NOT LIMITED TO,**
17 **INDIVIDUALS REPRESENTING COMMERCE, TRANSPORTATION, BORDER**
18 **OPERATORS, WAREHOUSING, LOCAL ECONOMIC DEVELOPMENT AGENCIES, AND**
19 **INSTITUTIONS OF HIGHER LEARNING,** appointed by the governor from a
20 list of 4 or more individuals selected by the senate majority
21 leader.

22 (E) ~~(f) Two individuals~~ **ONE INDIVIDUAL** who are ~~residents~~ **IS A**
23 **RESIDENT** of this state and who ~~live within 1 mile of an~~
24 ~~international border crossing, airport, rail yard, intermodal~~
25 ~~facility, port, or other major transportation infrastructure that~~
26 ~~has significant impacts on the local residential community,~~ **HAS**
27 **EDUCATION IN, EXPERIENCE WITH, OR KNOWLEDGE OF SUPPLY CHAIN**

1 **MANAGEMENT AND LOGISTICS, INCLUDING, BUT NOT LIMITED TO,**
 2 **INDIVIDUALS REPRESENTING COMMERCE, TRANSPORTATION, BORDER**
 3 **OPERATORS, WAREHOUSING, LOCAL ECONOMIC DEVELOPMENT AGENCIES, AND**
 4 **INSTITUTIONS OF HIGHER LEARNING,** appointed by the governor from a
 5 list of 4 or more individuals selected by the speaker of the house
 6 of representatives.

7 **(F)** ~~(g) Seven~~ **FIVE** individuals appointed by the governor who
 8 have education in, experience with, or knowledge of supply chain
 9 management and logistics, including, but not limited to,
 10 individuals representing commerce, transportation, border
 11 operators, warehousing, local economic development agencies, and
 12 institutions of higher learning.

13 (4) A member of the commission shall not receive compensation
 14 for services as a member of the commission, but the commission may
 15 reimburse each member of the commission for expenses necessarily
 16 incurred in the performance of his or her duties.

17 Sec. 4. (1) The commission shall have and exercise all of the
 18 following powers and duties:

19 (a) Advise ~~the governor and~~ appropriate state agencies on
 20 methods, proposals, programs, and initiatives involving **FREIGHT**
 21 **TRANSPORTATION AND** supply chain management in this state that may
 22 stimulate state economies and provide additional employment
 23 opportunities for this state.

24 (b) Create avenues of communication between this state and
 25 Ontario and the federal government of Canada, **AS WELL AS OTHER**
 26 **STATE, REGIONAL, AND LOCAL GOVERNMENTS,** concerning economic
 27 development, trade and commerce, transportation, and industrial

1 affairs concerning supply chain management.

2 (c) Survey and audit how other states have used supply chain
3 management capabilities to attract industry.

4 (d) Determine which industries in this state would benefit
5 from supply chain coordination.

6 (e) ~~Make recommendations to the governor and the legislature~~
7 ~~on~~ **DEVELOP STRATEGIES TO ADDRESS** all the following:

8 ~~—— (i) Changes to the tax structure of this state to make Michigan~~
9 ~~competitive with other jurisdictions.~~

10 (i) ~~(ii)~~ Mechanisms to attract long-term capital investment.

11 (ii) ~~(iii)~~ How to improve access to credit or financing
12 resources.

13 (iii) ~~(iv)~~ How to improve workforce training and retraining
14 support to maximize productivity.

15 (iv) ~~(v)~~ Expediting regulatory oversight to facilitate
16 expansion and new investment.

17 (v) ~~(vi)~~ Reducing regulatory burden.

18 (vi) ~~(vii)~~ Developing growth strategy for targeted industries.

19 (vii) ~~(viii)~~ How to prioritize and coordinate investment in
20 transportation infrastructure of this state.

21 (viii) **COLLABORATING AND SHARING INFORMATION BETWEEN THE PRIVATE**
22 **SECTOR AND PUBLIC SECTORS ON FREIGHT AND SUPPLY CHAIN ISSUES.**

23 (f) Develop integrated state strategy regarding policy to
24 global supply chain operations.

25 (2) ~~State~~ **EXCEPT TO COVER COSTS ASSOCIATED WITH SECTION 3(4)**
26 **AND FOR ADMINISTRATIVE COSTS INCURRED BY THE COMMISSION, STATE**
27 funds shall not be used to fund the operations of the commission.

Senate Bill No. 256 (H-2) as amended June 6, 2013

~~The commission may be funded with private funds, federal funds, or
other funds that are not state funds.~~ STATE FUNDS USED TO COVER

COSTS ASSOCIATED WITH SECTION 3(4) AND ADMINISTRATIVE COSTS SHALL

NOT EXCEED \$5,000.00 PER FISCAL YEAR. AS USED IN THIS SUBSECTION,

"ADMINISTRATIVE COSTS" MEAN COSTS ASSOCIATED WITH THE BUSINESS OF

THE COMMISSION, INCLUDING BUT NOT LIMITED TO, PREPARING DOCUMENTS

FOR MEETINGS, MAINTAINING RECORDS, AND SCHEDULING COMMISSION

MEETINGS.

[(3) NOT LATER THAN MARCH 1, 2014 AND EACH YEAR THEREAFTER, THE
MICHIGAN STRATEGIC FUND CREATED UNDER THE MICHIGAN STRATEGIC FUND ACT,
1984 PA 270, MCL 125.2001 TO 125.2094, SHALL REPORT TO EACH HOUSE OF
THE LEGISLATURE AND THE FISCAL AGENCIES ON THE AMOUNT OF ADMINISTRATIVE
COSTS EXPENDED BY THE COMMISSION IN THE IMMEDIATELY PRECEDING FISCAL
YEAR.]