



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 256 (as introduced 3-12-13)
Sponsor: Senator Mike Kowall
Committee: Economic Development

Date Completed: 3-13-13

CONTENT

The bill would amend the Michigan Supply Chain Management Development Commission Act to do the following:

- **Replace the Michigan Supply Chain Management Development Commission with the Commission for Logistics and Supply Chain Collaboration.**
- **Revise the membership of the Commission.**
- **Modify the responsibilities of the Commission.**
- **Allow the Commission to be funded with State funds.**

The bill also would change the name of the Act to the "Commission for Logistics and Supply Chain Collaboration Act".

Currently, the Michigan Supply Chain Management Development Commission is created in the Department of Treasury. The bill, instead, would create the Commission for Logistics and Supply Chain Collaboration within the Michigan Strategic Fund. Except as modified by the bill, this Commission would have the same responsibilities as the existing Commission.

The existing Commission consists of the following members:

- The president of the Michigan Strategic Fund (MSF).
- The Director of the Michigan Department of Transportation (MDOT).
- The Director of the Department of Environmental Quality.
- The State Treasurer.
- Two Michigan residents appointed by the Governor from a list of four or more individuals selected by the Senate Majority Leader.
- Two Michigan residents appointed by the Governor from a list of four or more individuals selected by the Speaker of the House of Representatives.
- Seven individuals appointed by the Governor who have education in, experience with, or knowledge of supply chain management and logistics.

The members appointed from lists submitted by the Senate Majority Leader and the Speaker of the House must live within one mile of an international border crossing, airport, rail yard, intermodal facility, port, or other major transportation infrastructure that has significant impacts on the local residential community.

Under the bill, the Commission would have to consist of the following members:

- The president of the MSF or his or her designee.
- The Director of MDOT or his or her designee.
- The Director of the Department of Agriculture and Rural Development or his or her designee.
- One Michigan resident appointed by the Governor from a list of four or more individuals selected by the Senate Majority Leader.
- One Michigan resident appointed by the Governor from a list of four or more individuals selected by the Speaker of the House.
- Five individuals appointed by the Governor who have education in, experience with, or knowledge of supply chain management and logistics.

The members appointed from lists submitted by the Senator Majority Leader and the Speaker of the House also would have to have education in, experience with, or knowledge of supply chain management and logistics. As provided for the other appointed members, these members could include individuals representing commerce, transportation, border operators, warehousing, local economic development agencies, and institutions of higher learning.

The Act requires the Commission to create a road map for attracting, supporting, marketing, and increasing the international trade, supply chain, and logistics industries by advising on the development and coordination of State transportation and economic development policies. The Commission is required to study and design programs to provide incentives and otherwise support these industries through workforce development, recruitment, marketing, tax incentives, and other activities. The bill would refer to business development, rather than tax incentives.

The Commission's current responsibilities also include recommending to the Governor and the Legislature changes to the State's tax structure to make Michigan competitive with other jurisdictions. The bill would delete that provision.

The Act prohibits the use of State funds to fund the operations of the Commission, and provides that the Commission may be funded with private funds, Federal funds, or other funds that are not State funds. The bill would delete the prohibition against the use of State funds, and would allow the Commission to be funded with State funds, private funds, Federal funds, or any other funds.

MCL 125.1891-125.1894

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would authorize the use of State funds for the operation of the proposed Commission for Logistics and Supply Chain Collaboration, which would be established in the Michigan Strategic Fund to replace the Michigan Supply Chain Management Development Commission. This would have a minimal impact on the cost of State government. The bill would not make an appropriation; thus, use of State funds for the proposed Commission, such as for staff support, would come from the existing resources of the Michigan Strategic Fund.

Fiscal Analyst: Elizabeth Pratt

S1314\S256sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.