

LEGISLATIVE UPDATE



State Representative
JAMES "JASE" BOLGER
63rd District

1.877.BOLGER1 | jamesbolger@house.mi.gov
www.jasebolger.com

APRIL 2010

Job providers under attack

-Job providers under attack

Some members of the Legislature are once again attacking job providers in our state; attempting to balance the budget on the backs of those that create jobs in Michigan.

-Cost saving bills

-Texting while driving

This particular proposal seeks to penalize local retail stores for debts that weren't paid to them.

-Financial literacy month

When a customer uses a store credit card to make a purchase, the sale counts as revenue and the retailer is taxed on it. But if the customer doesn't pay the store credit bill and the retailer can't collect the bad debt, the retailer is allowed to write it off on their taxes.

House Bills 5417-5418 would lower the amount retailers are allowed to write off as bad debt, meaning the legislation will tax retailers on money the store never actually collected. So, not only are stores out money because they never got paid for their merchandise, now they are going to get taxed on money they never even got paid.

Currently, retailers are also allowed to keep a very small portion of the sales taxes they collect to cover the expense of collecting taxes on behalf of the state. Under these bills the amount they are allowed to keep would be reduced as well.

The plan is a new \$17.3 million tax on area family-owned businesses and job providers. I know that we can't tax our way to prosperity, and we can't spend our way out of deficit. Michigan is facing a massive jobs deficit, so we need to focus on fostering a climate that will welcome job providers instead of continually penalizing them. When people are working again, Michigan's budget problems will be solved.

The House Republican Strategic Task Force on Jobs recently rolled out a 33-page plan to get Michigan to work through a mix of reforms that lowers the burdens on job providers, eliminates archaic regulations, and improves incentive programs.

The plan can be viewed in detail at:

http://www.gophouse.com/Jobs_Task_Force_Report.pdf

Cost saving measures in the legislature

With families and businesses struggling across Michigan, the state's elected leaders have to stand as a role model for reshaping government, starting with their own pay and benefits.

My first day in office I cosponsored the resolution that will lead to legislators taking a 10 percent pay cut, we've increased our contributions to our healthcare, and I was the first legislator to give back the equivalent of six days pay to match the furlough days state employees have taken.

Further, I recently voted to eliminate the lifetime healthcare benefits for future legislators. I don't believe that this bill goes far enough, so I have co-sponsored a bill to eliminate those benefits for current members as well. In this economy, and especially as the people we work for and who pay our salaries are hurting, we need to adjust our priorities accordingly.

Last week I voted for a three-part plan that will save taxpayers millions of dollars by streamlining the Michigan Legislature. The legislation approved in the House consolidates Legislature administrative services by combining House and Senate departments, including the business office, human resources, finance, facilities, security, information technology, printing and mailing. It also merges the House and Senate fiscal agencies into one department that will serve both chambers.

Current Legislators do not receive a pension after leaving office, we have a 401(k) that will accumulate contributions while we serve, but not after our term expires. Without legislator or staff pensions, there were no pension adjustments we could make. However, a third part of the plan stops the state's matching contribution (up to 3 percent) to employee 401 (k) plans for legislators, House and Senate staff.

An estimated \$2.5 million will be saved this year by consolidating the administrative services, with an estimated \$4 million saved in each following year; the House and Senate fiscal agencies combination will save \$1.2 million the first year and more than \$2 million annually after that. About \$1.1 million will be saved each year by not matching 410(k) contributions.

While these changes do not come near to resolving the budget deficit, I think they are an important step. I cannot ask others to do something I am not willing to do myself. I believe to have credibility, the Legislature must lead by example.

Texting while driving

This month the House passed HB 4394, a bill to ban texting while driving by making it a primary offense.

Distracted driving is a serious issue, and people are distracted by a variety of things. A few examples include applying makeup, eating, reading a novel, and even surfing the Internet via a mobile device, none of which are included in this bill. Throughout this debate I argued there should be a more broad definition of distracted driving instead of a reactionary move addressing just one issue. Further, we have careless driving laws on the books already to deal with people who are causing a hazard by not paying attention to the road.

I made an effort to include a broader definition of distraction in the law, and to have it enforced if you were stopped for violating a traffic ordinance. This would have applied under the existing careless driving provisions which, by the way, have greater penalties than the new texting ban put in place. Though this didn't become reality, I voted to make texting a 'secondary' offense - meaning that if you were stopped for some other violation (i.e. swerving, speeding, etc.) you could also be cited for texting.

Proponents of this bill argue that police should be able to pull you over for texting to potentially prevent you from doing something wrong in the future. However, many types of traffic stops for far more serious criminal activity are not valid unless you are first observed doing something wrong behind the wheel. I do not think it is unreasonable to say that you'd have to be violating a traffic law in order to be stopped. Unfortunately, the bill was changed when it went to the Senate to make it a primary offense. This is the version that is now law.

This new law allows you to be stopped, not for violating any other traffic law, but for being 'observed' texting while driving. But, how will an officer tell if you were texting or legally dialing your phone? You would be

stopped but the officer would not have a valid reason to write a citation, meaning you were stopped for no valid reason and also diverting law enforcement resources away from other law enforcement activities.

The flip side of this is that an officer can effectively do a road side plea bargain with someone if they were caught speeding, running a light, etc. That is, if they were distracted and being careless they could face a careless driving charge with a significant fine and three points on their license. Instead, they could 'admit' to texting, and the officer can write a ticket for texting while driving, which is a smaller fine and no points on their license, while excusing the more malicious behavior. So, while some claim this is a crack down on texting, the reality is the penalties are less than an offender would pay if he were guilty of the law already on the books: careless driving.

I also have to wonder: how far we are going to go to try to legislate common sense? I hold the belief that if you are doing something wrong while driving, then you should be stopped for that offense. If once stopped you are guilty of other offenses, then those should be charged as well.

This is a case where I knew full well a "No" vote would be difficult to explain and the easy route would be a "Yes" vote. However, I do not believe this is a well thought out law. I think it is reactionary and not only will it not be effective, it might actually be counterproductive. While "Yes" might have been an easy or politically popular vote, I did not think it was right to vote for a bill I feared will make bad law.

I sincerely believe that texting while driving is bad, and distracted driving is a serious issue. However, I fear this bill will allow some to claim they "did something" but the reality will be the bill created a bad law. It was for these reasons I objected to and voted against the final version of the bill.

Financial literacy month

The month of April in Michigan is Junior Achievement Financial Literacy Month due to a resolution I introduced and passed in the House.

HR 258 encourages Michigan's public schools to participate in Junior Achievement programs. JA is a not-for-profit organization that fosters partnerships between business and educators and uses hands-on curriculum to help young people understand the economics of life. Their purpose is to inspire and prepare young people to succeed in a global economy.

Since JA's creation in 1919, the program has reached more than 79 million

students. It is devoted to its mission of ensuring that every child in America has a fundamental understanding of financial literacy and the free enterprise system.

These hands-on activities show students the relevance of education to the workplace and help prepare them for secondary school and lifelong learning. Concepts and skills taught at each program level build on those learned in preceding grades. The programs focus on developing and preparing young people for issues they will encounter in the economic and employment environment. Students are taught to use economics, business, and financial literacy to prepare for and improve their quality of life.

JA is designed to be taught in the classroom by business, parent and community volunteers. Classroom volunteers make economic concepts relevant, fuel the entrepreneurial spirit, and challenge students to excel. I have had the pleasure of teaching JA programs, including this month, and always find the experience to be rewarding.