

SUPPLY CHAIN MANAGEMENT DEVELOPMENT COMMISSION ACT

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House Bill 6150

Sponsor: Rep. Steve Tobocman

Committee: New Economy and Quality of Life

Complete to 5-21-08

A SUMMARY OF HOUSE BILL 6150 AS INTRODUCED 5-21-08

House Bill 6150 would create a new law to be known as the Michigan Supply Chain Management Development Commission Act.

Under the bill, a supply chain management development commission would be created within the Department of Treasury. Its purpose would be to create a plan that would attract, support, market, and grow the international trade, supply chain, and logistics industries, by advising on the development and coordination of state transportation and economic development policies. The bill specifies that based upon an inventory of industry needs, state strengths, and an economic multiplier impact analysis, the commission would study and design programs to provide incentives for these growth industries, through workforce development, tax incentives, recruitment, marketing, and other activities.

The 15-member commission would have the following members:

- The president and CEO of the Michigan Economic Development Corporation.
- The director of the Department of Transportation.
- The director of the Department of Environmental Quality.
- The state treasurer.
- Four state residents who live within one mile of an international border crossing, airport, rail yard, inter-modal facility, port, or other major transportation infrastructure having impact on the local community (appointed by the governor from two lists of four or more people, one selected by the Senate Majority Leader, and the second selected by the House Speaker).
- Seven people appointed by the governor who have education in, experience with, or knowledge of supply chain management and logistics.

Members of the commission would not receive compensation, but could be reimbursed for expenses necessarily incurred in the performance of duties.

The commission would exercise all of the following powers and duties:

- Advise the governor and appropriate state agencies on methods, proposal, programs, and initiatives involving supply chain management in Michigan that may stimulate state economies, and provide additional employment opportunities for the state.
- Create avenues of communication between Michigan, Ontario, and the federal government of Canada concerning economic development, trade and commerce, transportation, and industrial affairs concerning supply chain management.
- Survey and audit how other states have used supply chain management capabilities to attract industry.
- Determine which industries in Michigan would benefit from supply chain coordination.
- Make recommendations to the governor and the legislature about how to do all of the following:
 - change the tax structure to make Michigan competitive with other jurisdictions;
 - assist small-sized, medium-sized, and large-sized companies in accessing various grants, tax abatements, and other incentives;
 - improve access to credit or financing resources;
 - improve workforce training and retraining support to maximize productivity;
 - expedite regulatory oversight to facilitate expansion and new investment;
 - reduce regulatory burden;
 - develop growth strategies for targeted industries; and
 - prioritize and coordinate investment in Michigan's transportation infrastructure.
- Develop an integrated state strategy regarding policy to supply global chain operations.

FISCAL IMPACT:

House Bill 6104 would establish a new commission, the Michigan Supply Chain Management Development Commission, within the Department of Treasury. While commission members will not receive compensation for their services, the bill requires the commission to reimburse the members for the expenses they incur while serving. These requirements would result in additional costs to the department of an indeterminate amount. The amount of the increase would depend upon a variety of factors, including the scope and magnitude of the commission's activity, the amount of expenses the 15 members incur, and any administrative or staffing costs Treasury might accrue concerning the commission.

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