

THE JACOBS CAPITOL REPORT

GILDA Z. JACOBS
MICHIGAN SENATE
Democratic Caucus Chair
FOURTEENTH DISTRICT

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CREDIT REPORT FREEZE BILLS ADVANCE

Jacobs: Overdue Legislation Tackles \$50 Billion Problem

Substitute versions of SB 75 and SB 340, sponsored by Senators Gilda Z. Jacobs (D-Huntington Woods) and Cameron Brown (R-Fawn River Twp.) were reported out of the Senate Banking and Financial Institutions Committee earlier this week. One bill would allow consumers to control access to their credit reports, while the second piece would set penalties for credit agencies that give creditors unauthorized access.

The bills, which target identity theft, were approved unanimously by members of the committee.

The Office of Financial and Insurance Services and the credit agency industry stopped short of supporting the bills, but testified that they were willing to get behind them if certain changes were made.

One lobbyist suggested moving the effective date of the legislation to that of a similar law in Utah, which takes effect on September 1, 2008. Some in the industry would rather see the date of the Michigan law pushed back farther, so that Utah could serve as a policy laboratory to be monitored for unintended consequences.

Senator Jacobs originally introduced this legislation last session as the Credit Security Act of 2005. "Identity theft is the fastest growing crime in America," she said. "We're talking about a \$50 billion problem with few protections. Consumers are given unsatisfactory guidelines telling them to watch their credit reports and hope for the best. Our credit freeze legislation is a better answer. It gives consumers a tool with which they can protect themselves."

"This legislation is long overdue," she continued. "It puts the consumer in the driver's seat when it comes to protecting their own data. Why should someone else have control over your own personal information? The answer is simple: they shouldn't. Under my bill, you decide who gets access to your credit record. That's the way it should be."

Senator Randy Richardville (R-Monroe), co-sponsor and chair of the Banking and Financial Institutions Committee, concurred. "This serious financial crime harms many of Michigan's residents," he said. "Other states have already adopted security freeze laws for consumers. Michigan should do the same to help protect our consumers from identify thieves."

GRANHOLM UNVEILS NEW EXECUTIVE ORDER

On the Horizon: \$344 million in spending cuts

Governor Jennifer Granholm announced that she will propose an executive order to create \$344 million in spending cuts in an effort to help balance the state's budget deficit.

The governor cautioned that the proposal was only a "baby step" toward resolving Michigan's large deficits and remained steadfast in her vow to battle Republicans who want to balance the budget solely through cuts.

House Speaker Andy Dillon and Senate Minority Leader Mark Schauer, both Democrats, attended the news conference with Gov. Granholm and indicated their full support of the executive order.

Republican Senate Majority Leader Mike Bishop, who has been at odds with the governor over budget-balancing strategies, didn't join Democratic leaders at the event. At press time, a Republican spokesman indicated that the Senate Republicans will approve the executive order with a plan to later pass their own bill making additional cuts.

The state is facing a \$900 million deficit in the current budget year, and Republicans have said they want to make up the shortfall without raising taxes.

Governor Granholm called any further cuts to be proposed by Republicans "unacceptable" since they would cut too deeply into government programs like job training and essential state services. She would rather bring in more revenue through a 2 percent tax on services.

The public has been slow to warm to any sort of tax increase and it's unclear if Granholm's tax proposal will make it through either chamber of the Legislature. House Speaker Dillon indicated that the House Democrats would offer their own plan in April, but did not specify whether or not a service tax would be included in the formula.

Although the governor expressed disappointment that a final agreement wasn't reached this week, she felt that a workable compromise was within grasp.

"I think they're bargaining in good faith," she said of Senate Republicans. "This moves the ball forward."

Michigan's constitution requires that the budget be balanced.

PROMOTING RESPONSIBLE PET OWNERSHIP

Oakland County Animal Shelter Offers Tours

The Oakland County Animal Care Center hosts tours of their animal shelter. Small organizational groups are guided through the shelter by informative staff. There is also a video presentation at the end of the tour on animal safety and responsible pet ownership. For more information on tours of the animal shelter please contact the shelter at 248-391-4100.

WIT, WISDOM, ETC . . .

Quotables

“Laughter need not be cut out of anything, since it improves everything.”
-James Thurber

“He who knows how will always work for he who knows why.”
-David Lee Roth

Quote of the Week: George Wilhelm Hegel

"What experience and history teach is this-- that people and governments never have learned anything from history."

All Michigan legislation can be tracked at
<http://www.legislature.michigan.gov/> .

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State Senator Gilda Jacobs represents the 14th Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Campaign & Election Oversight Committee. She also serves on the Finance, Economic Development & Regulatory Reform, and Health Policy Committees.

Constituents of the 14th District may contact Senator Jacobs at
sengjacobs@senate.michigan.gov
or toll-free at 1-888-937-4453.

This newsletter is produced in single-space form in order to save paper and transmission costs.

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