



SECRETARY OF SENATE  
ENROLLING CLERKS

JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
OFFICE OF THE GOVERNOR  
LANSING

Nov 22 3 03 PM '04

JOHN D. CHERRY, JR.  
LT. GOVERNOR

November 19, 2004

Michigan Senate  
State Capitol  
Lansing, Michigan 48909-7536

Ladies and Gentlemen:

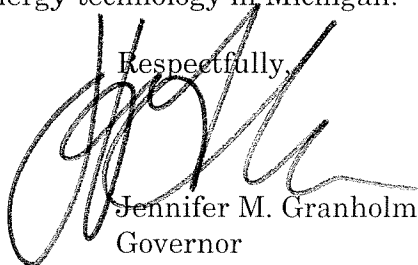
Today I have vetoed and return with my objections Enrolled Senate Bills 953 and 955, as provided under Section 33 of Article IV of the Michigan Constitution of 1963. These bills are not fiscally sound and do not address important environmental concerns.

Senate Bill 953 would authorize a new government loan program for the construction and operation of certain agriculture-related energy production systems. The program would divert for up to 15 years money that the state uses daily to pay bills and issue refunds to Michigan taxpayers. That is not fiscally sound. The state currently has no surplus funds to invest, nor, according to the Department of Treasury, will surplus funds be available for loan investments in the foreseeable future. Enactment of this legislation would do nothing more than create false expectations of government intervention in the marketplace.

Senate Bill 955 would exempt from property taxes some types of methane digesters and other systems that use heat to decompose agricultural waste. While proponents have argued that this would offer a new source of alternative energy, I am concerned that this exemption would provide financial rewards for generators of high volumes of manure, such as factory farms, including violators of environmental protection laws, while failing to address the threat to our groundwater posed by the nitrates and other pollutants that are the byproducts of high concentrations of manure. The proponents of this legislation have not made a compelling case that tax giveaways for owners of operations that produce high concentrations of manure or those who violate environmental protection laws are in the best interests of Michigan taxpayers.

While I return Enrolled Senate Bills 953 and 955 without signature, I look forward to working with the 93rd Michigan Legislature in developing effective tools to encourage the expanded use of alternative energy technology in Michigan.

Respectfully,



Jennifer M. Granholm  
Governor