state departments, the state board of education, and certain other boards and officials; to
provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts
of acts,” by amending section 1279g (MCL 380.1279g), as added by 2004 PA 596.

The People of the State of Michigan enact:

380.1279g  Michigan merit examination; definitions.

Sec. 1279g. (1) The board of a school district or board of directors of a public school acad-
emy shall comply with this section and shall administer the Michigan merit examination to
pupils in grade 11, and to pupils in grade 12 who did not take the complete Michigan merit
examination in grade 11, as provided in this section.

(2) For the purposes of this section, the department of management and budget shall
contract with 1 or more providers to develop, supply, and score the Michigan merit exami-
nation. The Michigan merit examination shall consist of all of the following:

(a) Assessment instruments that measure English language arts, mathematics, reading,
and science and are used by colleges and universities in this state for entrance or placement
purposes. This shall include a writing component in which the pupil produces an extended
writing sample. The Michigan merit examination shall not require any other extended writ-
ing sample.

(b) One or more tests from 1 or more test developers that assess a pupil’s ability to apply
at least reading and mathematics skills in a manner that is intended to allow employers to
use the results in making employment decisions. The department of management and bud-
get and the superintendent of public instruction shall ensure that any test or tests selected
under this subdivision have all the components necessary to allow a pupil to be eligible to
receive the results of a nationally recognized evaluation of workforce readiness if the pupil’s
test performance is adequate.

(c) A social studies component.

(d) Any other component that is necessary to obtain the approval of the United States
department of education to use the Michigan merit examination for the purposes of the no

(3) In addition to all other requirements of this section, all of the following apply to the
Michigan merit examination:

(a) The department of management and budget and the superintendent of public instruc-
tion shall ensure that any contractor used for scoring the Michigan merit examination supplies
an individual report for each pupil that will identify for the pupil’s parents and teachers
whether the pupil met expectations or failed to meet expectations for each standard, to allow
the pupil’s parents and teachers to assess and remedy problems before the pupil moves to
the next grade.

(b) The department of management and budget and the superintendent of public instruc-
tion shall ensure that any contractor used for scoring, developing, or processing the Michigan
merit examination meets quality management standards commonly used in the assessment
industry, including at least meeting level 2 of the capability maturity model developed by the
software engineering institute of Carnegie Mellon university for the first year the Michigan
merit examination is offered to all grade 11 pupils and at least meeting level 3 of the capa-
bility maturity model for subsequent years.

(c) The department of management and budget and the superintendent of public instruc-
tion shall ensure that any contract for scoring, administering, or developing the Michigan
merit examination includes specific deadlines for all steps of the assessment process, includ-
ing, but not limited to, deadlines for the correct testing materials to be supplied to schools
and for the correct results to be returned to schools, and includes penalties for noncompliance with these deadlines.

(d) The superintendent of public instruction shall ensure that the Michigan merit examination meets all of the following:

(i) Is designed to test pupils on grade level content expectations or course content expectations, as appropriate, in all subjects tested.

(ii) Complies with requirements of the no child left behind act of 2001, Public Law 107-110.

(iii) Is consistent with the code of fair testing practices in education prepared by the joint committee on testing practices of the American psychological association.

(iv) Is factually accurate. If the superintendent of public instruction determines that a question is not factually accurate and should be excluded from scoring, the state board and the superintendent of public instruction shall ensure that the question is excluded from scoring.

(4) A school district or public school academy that operates a high school shall include on each pupil's high school transcript all of the following:

(a) For each high school graduate who has completed the Michigan merit examination under this section, the pupil's scaled score on each subject area component of the Michigan merit examination.

(b) The number of school days the pupil was in attendance at school each school year during high school and the total number of school days in session for each of those school years.

(5) The superintendent of public instruction shall work with the provider or providers of the Michigan merit examination to produce Michigan merit examination subject area scores for each pupil participating in the Michigan merit examination, including scaling and merging of test items for the different subject area components. The superintendent of public instruction shall design and distribute to school districts, public school academies, intermediate school districts, and nonpublic schools a simple and concise document that describes the scoring for each subject area and indicates the scaled score ranges for each subject area.

(6) The Michigan merit examination shall be administered each year after March 1 and before June 1 to pupils in grade 11. The superintendent of public instruction shall ensure that the Michigan merit examination is scored and the scores are returned to pupils, their parents or legal guardians, and schools not later than the beginning of the pupil's first semester of grade 12. The returned scores shall indicate at least the pupil's scaled score for each subject area component and the range of scaled scores for each subject area. In reporting the scores to pupils, parents, and schools, the superintendent of public instruction shall provide standards-specific, meaningful, and timely feedback on the pupil's performance on the Michigan merit examination.

(7) A school district or public school academy shall administer the complete Michigan merit examination to a pupil only once and shall not administer the complete Michigan merit examination to the same pupil more than once. If a pupil does not take the complete Michigan merit examination in grade 11, the school district or public school academy shall administer the complete Michigan merit examination to the pupil in grade 12. If a pupil chooses to retake the college entrance examination component of the Michigan merit examination, as described in subsection (2)(a), the pupil may do so through the provider of the college entrance examination component and the cost of the retake is the responsibility of the pupil unless all of the following are met:

(a) The pupil has taken the complete Michigan merit examination.
(b) The pupil did not qualify for a Michigan promise grant under section 6 of the Michigan promise grant act, 2006 PA 479, MCL 390.1626, based on the pupil’s performance on the complete Michigan merit examination.

e) The pupil meets the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769i.

(d) The pupil has applied to the provider of the college entrance examination component for a scholarship or fee waiver to cover the cost of the retake and that application has been denied.

(e) After taking the complete Michigan merit examination, the pupil has not already received a free retake of the college entrance examination component paid for either by this state or through a scholarship or fee waiver by the provider.

(8) The superintendent of public instruction shall ensure that the length of the Michigan merit examination and the combined total time necessary to administer all of the components of the Michigan merit examination are the shortest possible that will still maintain the degree of reliability and validity of the Michigan merit examination results determined necessary by the superintendent of public instruction. The superintendent of public instruction shall ensure that the maximum total combined length of time that schools are required to set aside for pupils to answer all test questions on the Michigan merit examination does not exceed 8 hours if the superintendent of public instruction determines that sufficient alignment to applicable Michigan merit curriculum content standards can be achieved within that time limit.

(9) A school district or public school academy shall provide accommodations to a pupil with disabilities for the Michigan merit examination, as provided under section 504 of title V of the rehabilitation act of 1973, 29 USC 794; subtitle A of title II of the Americans with disabilities act of 1990, 42 USC 12131 to 12134; the individuals with disabilities education act amendments of 1997, Public Law 105-17; and the implementing regulations for those statutes. The provider or providers of the Michigan merit examination and the superintendent of public instruction shall mutually agree upon the accommodations to be provided under this subsection.

(10) To the greatest extent possible, the Michigan merit examination shall be based on grade level content expectations or course content expectations, as appropriate. Not later than July 1, 2008, the department shall identify specific grade level content expectations to be taught before and after the middle of grade 11, so that teachers will know what content will be covered within the Michigan merit examination.

(11) A child who is a student in a nonpublic school or home school may take the Michigan merit examination under this section. To take the Michigan merit examination, a child who is a student in a home school shall contact the school district in which the child resides, and that school district shall administer the Michigan merit examination, or the child may take the Michigan merit examination at a nonpublic school if allowed by the nonpublic school. Upon request from a nonpublic school, the superintendent of public instruction shall direct the provider or providers to supply the Michigan merit examination to the nonpublic school and the nonpublic school may administer the Michigan merit examination. If a school district administers the Michigan merit examination under this subsection to a child who is not enrolled in the school district, the scores for that child are not considered for any purpose to be scores of a pupil of the school district.

(12) In contracting under subsection (2), the department of management and budget shall consider a contractor that provides electronically-scored essays with the ability to score constructed response feedback in multiple languages and provide ongoing instruction and feedback.
(13) The purpose of the Michigan merit examination is to assess pupil performance in mathematics, science, social studies, and English language arts for the purpose of improving academic achievement and establishing a statewide standard of competency. The assessment under this section provides a common measure of data that will contribute to the improvement of Michigan schools’ curriculum and instruction by encouraging alignment with Michigan’s curriculum framework standards and promotes pupil participation in higher level mathematics, science, social studies, and English language arts courses. These standards are based upon the expectations of what pupils should learn through high school and are aligned with national standards.

(14) As used in this section:
(a) “English language arts” means reading and writing.
(b) “Social studies” means United States history, world history, world geography, economics, and American government.

This act is ordered to take immediate effect.
Approved December 23, 2008.
Filed with Secretary of State December 23, 2008.

[No. 350]

(No. 350)

AN ACT to amend 2006 PA 479, entitled “An act to provide for the administration of the Michigan promise grant program; to provide for the powers and duties of certain state officers and entities; and to repeal acts and parts of acts,” by amending section 2 (MCL 390.1622), as amended by 2007 PA 42.

The People of the State of Michigan enact:

390.1622 Definitions.

Sec. 2. As used in this act:
(a) “Academic year” means the period from September 1 of a calendar year to August 31 of the next calendar year.
(b) “Approved postsecondary educational institution” means any of the following:
   (i) A public or private college or university, junior college, or community college that grants degrees or certificates and is located in this state.
   (ii) A postsecondary educational institution, other than an educational institution described in subparagraph (i), that is located in this state, grants degrees, certificates, or other recognized credentials, and is designated by the department as an approved postsecondary educational institution.
   (iii) A service academy.
(c) “Clock hour” means a time period consisting of any of the following:
   (i) Fifty to 60 minutes of class, lecture, or recitation in a 60-minute period.
   (ii) Fifty to 60 minutes of faculty-supervised laboratory work, shop training, or internship in a 60-minute period.
   (iii) Sixty minutes of preparation in a correspondence course.
(d) “Cumulative grade point average” means the weighted mean value of the courses considered by an approved postsecondary educational institution in determining whether to award a student an associate’s degree or a 2-year certificate of completion in a vocational training program, whether the student has completed a comparable vocational education program, or whether the student has completed 50% or more of the academic requirements for the award of a bachelor’s degree, including any courses completed at another approved postsecondary educational institution if the student transfers the credits for those courses to the approved postsecondary educational institution making that determination.

(e) “Department” means the department of treasury.

(f) “Fiscal year” means a fiscal year of this state. A fiscal year begins on October 1 of a calendar year and ends on September 30 of the next calendar year.

(g) “High school graduate” means an individual who has received a high school diploma from a high school or passed the general educational development (GED) diploma test or any other high school graduate equivalency examination approved by the state board of education.

(h) “Michigan promise grant” means a grant awarded by the department under this act.

(i) “Qualifying score” means a score in a reading, writing, mathematics, or science component of a state assessment test that has been determined by the superintendent of public instruction to indicate readiness to enroll in a course in that subject area in an approved postsecondary educational institution.

(j) “Service academy” means the United States military academy, United States naval academy, United States air force academy, United States coast guard academy, or United States merchant marine academy.

(k) “State assessment test” means any of the following:

(i) Subject to subparagraph (ii), the complete Michigan merit examination described in section 1279g of the revised school code, 1976 PA 451, MCL 380.1279g, and section 104b of the state school aid act of 1979, 1979 PA 94, MCL 388.1704b.

(ii) For a student who has previously taken the complete Michigan merit examination, the college examination component of the Michigan merit examination, as described in section 1279g(2)(a) of the revised school code, 1976 PA 451, MCL 380.1279g, and section 104b(2)(a) of the state school aid act of 1979, 1979 PA 94, MCL 388.1704b.

(iii) Any other test administered by the department of education to students in grades 11 and 12 to assure state compliance with the federal no child left behind act of 2001, Public Law 107-110.


**Conditional effective date.**

Enacting section 1. This amendatory act does not take effect unless House Bill No. 6412 of the 94th Legislature is enacted into law.

This act is ordered to take immediate effect.
Approved December 23, 2008.
Filed with Secretary of State December 23, 2008.

AN ACT to amend 1964 PA 283, entitled “An act to regulate and provide standards for weights and measures, and the packaging and advertising of certain commodities; to provide for a state director and other officials and to prescribe their powers and duties; to provide a fee system for certain inspections and tests; to provide penalties for fraud and deception in the use of false weights and measures and other violations; and to repeal certain acts and parts of acts,” by amending section 28c (MCL 290.628c), as amended by 2003 PA 189.

The People of the State of Michigan enact:

290.628c Commodity sale; method; packaging and labeling requirements; certificate of conformance; compliance standards; registration for service persons and agents.

Sec. 28c. (1) Except as otherwise provided for in this subsection, the method of sale of a commodity sold in Michigan shall conform to the “uniform regulation for the method of sale of commodities” published in the 2002 edition of the NIST handbook 130, incorporated by reference, except as otherwise provided in this section or where modified by rule. Section 2.20.1 of the uniform regulation for the method of sale of commodities is not adopted. The method of sale for liquefied petroleum gas sold in Michigan is excluded from conforming to the “uniform regulation for the method of sale of commodities” published in the 2002 edition of the NIST handbook 130. The buying and selling of liquefied petroleum gas may be conducted by the pound, gallon, metered cubic foot, or flat rate price, with the price rate clearly published and documented. Upon request by a customer, a retailer must disclose the actual pounds, gallons, or metered cubic feet included in the flat rate price. The requirements of this subsection apply only to tanks of 100 pounds or less.

(2) The packaging and labeling requirements for commodities sold in Michigan shall conform to the “uniform packaging and labeling regulation” published in the 2002 edition of the NIST handbook 130, incorporated by reference, except for section 13 of that publication or except as otherwise modified by rule.

(3) A certificate of conformance for a type shall comply with the requirements of NCWM publication 14, “national type evaluation program technical policy, checklists and test procedures” and the 2002 edition of the NIST handbook 44, “specifications, tolerances, and other technical requirements for weighing and measuring devices”, incorporated by reference.

(4) The determination for a uniform basis conformance for a type shall comply with NCWM publication 14, “national type evaluation program technical policy, checklists and test procedures” and the 2002 edition of the NIST handbook 44, “specifications, tolerances, and other technical requirements for weighing and measuring devices”, incorporated by reference.

(5) The specifications, tolerances, and regulations for commercial weights and measures shall be in compliance with the standards contained in the 2002 edition of the NIST handbook 44, incorporated by reference.

(6) Registration for service persons and service agencies and competency tests shall be in compliance with the standards contained in the 2002 edition of the NIST handbook 130, “uniform regulation for the voluntary registration of service persons and service agencies for commercial weighing and measuring devices”, incorporated by reference, and the NIST handbook 44, incorporated by reference.

This act is ordered to take immediate effect.
Approved December 23, 2008.
Filed with Secretary of State December 23, 2008.
AN ACT to amend 1893 PA 206, entitled “An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal acts and parts of acts,” by amending sections 44 and 78a (MCL 211.44 and 211.78a), section 44 as amended by 2002 PA 641 and section 78a as added by 1999 PA 123.

The People of the State of Michigan enact:

Sec. 44. (1) Upon receipt of the tax roll, the township treasurer or other collector shall proceed to collect the taxes. The township treasurer or other collector shall mail to each taxpayer at the taxpayer’s last known address on the tax roll or to the taxpayer’s designated agent a statement showing the description of the property against which the tax is levied, the taxable value of the property, and the amount of the tax on the property. If a tax statement is mailed to the taxpayer, a tax statement sent to a taxpayer’s designated agent may be in a summary form or may be in an electronic data processing format. If the tax statement information is provided to both a taxpayer and the taxpayer’s designated agent, the tax statement mailed to the taxpayer may be identified as an informational copy. A township treasurer or other collector electing to send a tax statement to a taxpayer’s designated agent or electing not to include an itemization in the manner described in subsection (10)(d) in a tax statement mailed to the taxpayer shall, upon request, mail a detailed copy of the tax statement, including an itemization of the amount of tax in the manner described by subsection (10)(d), to the taxpayer without charge.

(2) The expense of preparing and mailing the statement shall be paid from the county, township, city, or village funds. Failure to send or receive the notice does not prejudice the right to collect or enforce the payment of the tax. The township treasurer shall remain in
the office of the township treasurer at some convenient place in the township from 9 a.m. to 5 p.m. to receive taxes on the following days:

(a) At least 1 business day between December 25 and December 31 unless the township has an arrangement with a local financial institution to receive taxes on behalf of the township treasurer and to forward that payment to the township on the next business day. The township shall provide timely notification of which financial institutions will receive taxes for the township and which days the treasurer will be in the office to receive taxes.

(b) The last day that taxes are due and payable before being returned as delinquent under section 78a(2).

(3) Except as provided by subsection (7), on a sum voluntarily paid before February 15 of the succeeding year, the local property tax collecting unit shall add a property tax administration fee of not more than 1% of the total tax bill per parcel. However, unless otherwise provided for by an agreement between the assessing unit and the collecting unit, if a local property tax collecting unit other than a village does not also serve as the local assessing unit, the excess of the amount of property tax administration fees over the expense to the local property tax collecting unit in collecting the taxes, but not less than 80% of the fee imposed, shall be returned to the local assessing unit. A property tax administration fee is defined as a fee to offset costs incurred by a collecting unit in assessing property values, in collecting the property tax levies, and in the review and appeal processes. The costs of any appeals, in excess of funds available from the property tax administration fee, may be shared by any taxing unit only if approved by the governing body of the taxing unit. Except as provided by subsection (7), on all taxes paid after February 14 and before taxes are returned as delinquent under section 78a(2) the governing body of a city or township may authorize the treasurer to add to the tax a property tax administration fee to the extent imposed on taxes paid before February 15 and the day that taxes are returned as delinquent under section 78a(2) a late penalty charge equal to 3% of the tax. The governing body of a city or township may waive interest from February 15 to the last day of February on a summer property tax that has been deferred under section 51 or any late penalty charge for the homestead property of a senior citizen, paraplegic, quadriplegic, hemiplegic, eligible serviceperson, eligible veteran, eligible widow or widower, totally and permanently disabled person, or blind person, as those persons are defined in chapter 9 of the income tax act of 1967, 1967 PA 281, MCL 206.501 to 206.532, if the person makes a claim before February 15 for a credit for that property provided by chapter 9 of the income tax act of 1967, 1967 PA 281, MCL 206.501 to 206.532, if the person presents a copy of the form filed for that credit to the local treasurer, and if the person has not received the credit before February 15. The governing body of a city or township may waive interest from February 15 to the day taxes are returned as delinquent under section 78a(2) on a summer property tax deferred under section 51 or any late penalty charge for a person’s property that is subject to a farmland development rights agreement recorded with the register of deeds of the county in which the property is situated as provided in section 36104 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36104, if the person presents a copy of the development rights agreement or verification that the property is subject to a development rights agreement before February 15. A 4% county property tax administration fee, a property tax administration fee to the extent imposed on and if authorized under subsection (7) for taxes paid before taxes are returned as delinquent under section 78a(2), and interest on the tax at the rate of 1% per month shall be added to taxes collected by the township or city treasurer after the last day taxes are payable before being returned as delinquent under section 78a(2) and before settlement with the county treasurer, and the payment shall be treated as though collected by the county treasurer. If the statements required to be mailed by this section are not mailed before December 31, the treasurer shall not impose a late penalty charge on taxes collected after February 14.
(4) The governing body of a local property tax collecting unit may waive all or part of the property tax administration fee or the late penalty charge, or both. A property tax administration fee collected by the township treasurer shall be used only for the purposes for which it may be collected as specified by subsection (3) and this subsection. If the bond of the treasurer, as provided in section 43, is furnished by a surety company, the cost of the bond may be paid by the township from the property tax administration fee.

(5) If apprehensive of the loss of personal tax assessed upon the roll, the township treasurer may enforce collection of the tax at any time, and if compelled to seize property or bring an action in December may add, if authorized under subsection (7), a property tax administration fee of not more than 1% of the total tax bill per parcel and 3% for a late penalty charge.

(6) Along with taxes returned delinquent to a county treasurer, the amount of the property tax administration fee prescribed by subsection (3) that is imposed and not paid shall be included in the return of delinquent taxes and, when delinquent taxes are distributed by the county treasurer under this act, the delinquent property tax administration fee shall be distributed to the treasurer of the local unit who transmitted the statement of taxes returned as delinquent. Interest imposed upon delinquent property taxes under this act shall also be imposed upon the property tax administration fee and, for purposes of this act other than for the purpose of determining to which local unit the county treasurer shall distribute a delinquent property tax administration fee, any reference to delinquent taxes shall be considered to include the property tax administration fee returned as delinquent for the same property.

(7) The local property tax collecting treasurer shall not impose a property tax administration fee, collection fee, or any type of late penalty charge authorized by law or charter unless the governing body of the local property tax collecting unit approves, by resolution or ordinance adopted after December 31, 1982, an authorization for the imposition of a property tax administration fee, collection fee, or any type of late penalty charge provided for by this section or by charter, which authorization shall be valid for all levies that become a lien after the resolution or ordinance is adopted. However, unless otherwise provided for by an agreement between the assessing unit and the collecting unit, a local property tax collecting unit that does not also serve as the assessing unit shall impose a property tax administration fee on each parcel at a rate equal to the rate of the fee imposed for city or township taxes on that parcel.

(8) The annual statement required by 1966 PA 125, MCL 565.161 to 565.164, or a monthly billing form or mortgagor passbook provided instead of that annual statement shall include a statement to the effect that a taxpayer who was not mailed the tax statement or a copy of the tax statement by the township treasurer or other collector shall receive, upon request and without charge, a copy of the tax statement from the township treasurer or other collector or, if the tax statement has been mailed to the taxpayer’s designated agent, from either the taxpayer’s designated agent or the township treasurer or other collector. A designated agent who is subject to 1966 PA 125, MCL 565.161 to 565.164, and who has been mailed the tax statement for taxes that became a lien in the calendar year immediately preceding the year in which the annual statement may be required to be furnished shall mail, upon request and without charge to a taxpayer who was not mailed that tax statement or a copy of that tax statement, a copy of that tax statement.

(9) For taxes levied after December 31, 2001, if taxes levied on qualified real property remain unpaid on February 15, all of the following shall apply:

(a) The unpaid taxes on that qualified real property shall be collected in the same manner as unpaid taxes levied on personal property are collected under this act.
(b) Unpaid taxes on qualified real property shall not be returned as delinquent to the county treasurer for forfeiture, foreclosure, and sale under sections 78 to 79a.

(c) If a county treasurer discovers that unpaid taxes on qualified real property have been returned as delinquent for forfeiture, foreclosure, and sale under sections 78 to 79a, the county treasurer shall return those unpaid taxes to the appropriate local tax collection unit for collection as provided in subdivision (a).

(10) As used in this section:

(a) “Designated agent” means an individual, partnership, association, corporation, receiver, estate, trust, or other legal entity that has entered into an escrow account agreement or other agreement with the taxpayer that obligates that individual or legal entity to pay the property taxes for the taxpayer or, if an agreement has not been entered into, that was designated by the taxpayer on a form made available to the taxpayer by the township treasurer and filed with that treasurer. The designation by the taxpayer shall remain in effect until revoked by the taxpayer in a writing filed with the township treasurer. The form made available by the township treasurer shall include a statement that submission of the form allows the treasurer to mail the tax statement to the designated agent instead of to the taxpayer and a statement notifying the taxpayer of his or her right to revoke the designation by a writing filed with the township treasurer.

(b) “Qualified real property” means buildings and improvements located upon leased real property that are assessed as real property under section 2(1)(c), except buildings and improvements exempt under section 9f, if the value of the buildings or improvements is not otherwise included in the assessment of the real property.

(c) “Taxpayer” means the owner of the property on which the tax is imposed.

(d) When describing in subsection (1) that the amount of tax on the property must be shown in the tax statement, “amount of tax” means an itemization by dollar amount of each of the several ad valorem property taxes and special assessments that a person may pay under section 53 and an itemization by millage rate, on either the tax statement or a separate form accompanying the tax statement, of each of the several ad valorem property taxes that a person may pay under section 53. The township treasurer or other collector may replace the itemization described in this subdivision with a statement informing the taxpayer that the itemization of the dollar amount and millage rate of the taxes is available without charge from the local property tax collecting unit.

211.78a Property returned as delinquent subject to forfeiture, foreclosure, and sale; unpaid taxes from previous year; county property tax administration fee and interest; notice of return of delinquent taxes; annual fee; procedures and schedules established by ordinance.

Sec. 78a. (1) For taxes levied after December 31, 1998, all property returned for delinquent taxes, and upon which taxes, interest, penalties, and fees remain unpaid after the property is returned as delinquent to the county treasurers of this state under this act, is subject to forfeiture, foreclosure, and sale for the enforcement and collection of the delinquent taxes as provided in section 78, this section, and sections 78b to 79a. As used in section 78, this section, and sections 78b to 79a, “taxes” includes interest, penalties, and fees imposed before the taxes become delinquent and unpaid special assessments or other assessments that are due and payable up to and including the date of the foreclosure hearing under section 78k.

(2) On March 1 in each year, taxes levied in the immediately preceding year that remain unpaid shall be returned as delinquent for collection. However, if the last day in a year that taxes are due and payable before being returned as delinquent is on a Saturday, Sunday, or legal holiday, the last day taxes are due and payable before being returned as delinquent is on the next business day and taxes levied in the immediately preceding year that remain
unpaid shall be returned as delinquent on the immediately succeeding business day. Except as otherwise provided in section 79 for certified abandoned property, property delinquent for taxes levied in the second year preceding the forfeiture under section 78g or in a prior year to which this section applies shall be forfeited to the county treasurer for the total of the unpaid taxes, interest, penalties, and fees for those years as provided under section 78g.

(3) A county property tax administration fee of 4% and interest computed at a non-compounded rate of 1% per month or fraction of a month on the taxes that were originally returned as delinquent, computed from the date that the taxes originally became delinquent, shall be added to property returned as delinquent under this section. A county property tax administration fee provided for under this subsection shall not be less than $1.00.

(4) Any person with an unrecorded property interest or any other person who wishes at any time to receive notice of the return of delinquent taxes on a parcel of property may pay an annual fee not to exceed $5.00 by February 1 to the county treasurer and specify the parcel identification number, the address of the property, and the address to which the notice shall be sent. Holders of any undischarged mortgages wishing to receive notice of the return of delinquent taxes on a parcel or parcels of property may provide a list of such parcels in a form prescribed by the county treasurer and pay an annual fee not to exceed $1.00 per parcel to the county treasurer and specify for each parcel the parcel identification number, the address of the property, and the address to which the notice should be sent. The county treasurer shall notify the person or holders of undischarged mortgages if delinquent taxes on the property or properties are returned within that year.

(5) Notwithstanding any charter provision to the contrary, the governing body of a local governmental unit that collects delinquent taxes may establish for any property, by ordinance, procedures for the collection of delinquent taxes and the enforcement of tax liens and the schedule for the forfeiture or foreclosure of delinquent tax liens. The procedures and schedule established by ordinance shall conform at a minimum to those procedures and schedules established under sections 78a to 78l, except that those taxes subject to a payment plan approved by the treasurer of the local governmental unit as of July 1, 1999 shall not be considered delinquent if payments are not delinquent under that payment plan.

This act is ordered to take immediate effect.
Approved December 23, 2008.
Filed with Secretary of State December 23, 2008.

[No. 353]

(HB 6636)

AN ACT to amend 1943 PA 240, entitled “An act to provide for a state employees’ retirement system; to create a state employees’ retirement board and prescribe its powers and duties; to establish certain funds in connection with the retirement system; to require contributions to the retirement system by and on behalf of members and participants of the retirement system; to create certain accounts and provide for expenditures from those accounts; to prescribe the powers and duties of certain state and local officers and employees and certain state departments and agencies; to prescribe and make appropriations for the retirement system; and to prescribe penalties and provide remedies,” by amending sections 1d and 49 (MCL 38.1d and 38.49), section 1d as amended by 2002 PA 93 and section 49 as amended by 2004 PA 33.
The People of the State of Michigan enact:

38.1d Definitions.

Sec. 1d. (1) Beginning January 1, 2002, except as otherwise provided in this subsection, “eligible retirement plan” means 1 or more of the following:

(a) An individual retirement account described in section 408(a) of the internal revenue code, 26 USC 408.

(b) An individual retirement annuity described in section 408(b) of the internal revenue code, 26 USC 408.

(c) An annuity plan described in section 403(a) of the internal revenue code, 26 USC 403.

(d) A qualified trust described in section 401(a) of the internal revenue code, 26 USC 401.

(e) An annuity contract described in section 403(b) of the internal revenue code, 26 USC 403.

(f) An eligible plan under section 457(b) of the internal revenue code, 26 USC 457, that is maintained by a state, a political subdivision of a state, an agency or instrumentality of a state, or an agency or instrumentality of a political subdivision of a state, so long as amounts transferred into eligible retirement plans from this retirement system are separately accounted for by the plan provider that accepts the distributee’s eligible rollover distribution. However, in the case of an eligible rollover distribution to a surviving spouse on or before December 31, 2001, an eligible retirement plan means an individual retirement account or an individual retirement annuity described above.

(g) Beginning January 1, 2008, except as otherwise provided in this subsection, “eligible retirement plan” means a Roth individual retirement account as described in section 408A of the internal revenue code, 26 USC 408A, subject to the rules that apply to rollovers from a traditional individual retirement account to a Roth individual retirement account.

(2) Beginning January 1, 2007, “eligible rollover distribution” means a distribution of all or any portion of the balance to the credit of the distributee. Eligible rollover distribution does not include any of the following:

(a) A distribution made for the life or life expectancy of the distributee or the joint lives or joint life expectancies of the distributee and the distributee’s designated beneficiary.

(b) A distribution for a specified period of 10 years or more.

(c) A distribution to the extent that the distribution is required under section 401(a)(9) of the internal revenue code.

(d) The portion of any distribution that is not includable in federal gross income, except to the extent such portion of the distribution is paid to either of the following:

(i) An individual retirement account or annuity described in section 408(a) or 408(b) of the internal revenue code, 26 USC 408.

(ii) A qualified plan described in section 401(a) of the internal revenue code, 26 USC 401, or an annuity contract described in section 403(b) of the internal revenue code, 26 USC 403, and the plan providers agree to separately account for the amounts paid, including any portion of the distribution that is includable in federal gross income, and the portion of the distribution which is not so includable.

(3) “Employee” means a person who may become eligible for membership under this act, as provided in section 13, if the person’s compensation is paid in whole or in part by this state.

(4) “Employer” or “state” means this state.
38.49 Administration of retirement system as qualified pension plan under internal revenue code; requirements and benefit limitations; qualified military service.

Sec. 49. (1) This section is enacted pursuant to section 401(a) of the internal revenue code, 26 USC 401, that imposes certain administrative requirements and benefit limitations for qualified governmental plans. This state intends that the retirement system be a qualified pension plan created in trust under section 401 of the internal revenue code, 26 USC 401, and that the trust be an exempt organization under section 501 of the internal revenue code, 26 USC 501. The department shall administer the retirement system to fulfill this intent.

(2) The retirement system shall be administered in compliance with the provisions of section 415 of the internal revenue code, 26 USC 415, and regulations under that section that are applicable to governmental plans and beginning January 1, 2010, applicable provisions of the final regulations issued by the internal revenue service on April 5, 2007. Employer-financed benefits provided by the retirement system under this act shall not exceed the applicable limitations set forth in section 415 of the internal revenue code, 26 USC 415, as adjusted by the commissioner of internal revenue under section 415(d) of the internal revenue code, 26 USC 415, to reflect cost-of-living increases, and the retirement system shall adjust the benefits, including benefits payable to retirants and retirement allowance beneficiaries, subject to the limitation each calendar year to conform with the adjusted limitation. For purposes of section 415(b) of the internal revenue code, 26 USC 415, the applicable limitation shall apply to aggregated benefits received from all qualified pension plans for which the office of retirement services coordinates administration of that limitation. If there is a conflict between this section and another section of this act, this section prevails.

(3) The assets of the retirement system shall be held in trust and invested for the sole purpose of meeting the legitimate obligations of the retirement system and shall not be used for any other purpose. The assets shall not be used for or diverted to a purpose other than for the exclusive benefit of the members, vested former members, retirants, and retirement allowance beneficiaries before satisfaction of all retirement system liabilities.

(4) The retirement system shall return post-tax member contributions made by a member and received by the retirement system to a member upon retirement, pursuant to internal revenue service regulations and approved internal revenue service exclusion ratio tables.

(5) The required beginning date for retirement allowances and other distributions shall not be later than April 1 of the calendar year following the calendar year in which the employee attains age 70-1/2 or April 1 of the calendar year following the calendar year in which the employee retires. The required minimum distribution requirements imposed by section 401(a)(9) of the internal revenue code, 26 USC 401, shall apply to this act and be administered in accordance with a reasonable and good faith interpretation of the required minimum distribution requirements for all years to which the required minimum distribution requirements apply to the retirement system.

(6) If the retirement system is terminated, the interest of the members, vested former members, retirants, and retirement allowance beneficiaries in the retirement system is nonforfeitable to the extent funded as described in section 411(d)(3) of the internal revenue code, 26 USC 411, and related internal revenue service regulations applicable to governmental plans.

(7) Notwithstanding any other provision of this act to the contrary that would limit a distributee's election under this act, a distributee may elect, at the time and in the manner prescribed by the retirement board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover. This subsection applies to distributions made on or after January 1, 1993.
(8) For purposes of determining actuarial equivalent retirement allowances under sections 31(1)(a) and (b) and 20(2), the actuarially assumed interest rate shall be 8% with utilization of the 1983 group annuity and mortality table.

(9) Notwithstanding any other provision of this act, the compensation of a member of the retirement system shall be taken into account for any year under the retirement system only to the extent that it does not exceed the compensation limit established in section 401(a)(17) of the internal revenue code, 26 USC 401, as adjusted by the commissioner of internal revenue. This subsection applies to any person who first becomes a member of the retirement system on or after October 1, 1996.

(10) Notwithstanding any other provision of this act, contributions, benefits, and service credit with respect to qualified military service will be provided under the retirement system in accordance with section 414(u) of the internal revenue code, 26 USC 414. This subsection applies to all qualified military service on or after December 12, 1994. Beginning on January 1, 2007, in accordance with section 401(a)(37) of the internal revenue code, 26 USC 401, if a member dies while performing qualified military service for purposes of determining death benefits payable under this act, the member shall be treated as having resumed and then terminated employment because of death.

This act is ordered to take immediate effect.
Approved December 23, 2008.
Filed with Secretary of State December 23, 2008.

[No. 354]

HB 6638

AN ACT to amend 1980 PA 300, entitled “An act to provide a retirement system for the public school employees of this state; to create certain funds for this retirement system; to provide for the creation of a retirement board within the department of management and budget; to prescribe the powers and duties of the retirement board; to prescribe the powers and duties of certain state departments, agencies, officials, and employees; to prescribe penalties and provide remedies; and to repeal acts and parts of acts,” by amending sections 4 and 108 (MCL 38.1304 and 38.1408), section 4 as amended by 2007 PA 15 and section 108 as amended by 2002 PA 94.

The People of the State of Michigan enact:

38.1304 Definitions; C to M.

Sec. 4. (1) “Compound interest” means interest compounded annually on July 1 on the contributions on account as of the previous July 1 and computed at the rate of investment return determined under section 104a(1) for the last completed state fiscal year.

(2) “Contributory service” means credited service other than noncontributory service.

(3) “Deferred member” means a member who has ceased to be a public school employee and has satisfied the requirements of section 82 for a deferred vested service retirement allowance.

(4) “Department” means the department of management and budget.


(6) “Direct rollover” means a payment by the retirement system to the eligible retirement plan specified by the distributee.
(7) “Distributee” includes a member or deferred member. Distributee also includes the member's or deferred member's surviving spouse or the member's or deferred member's spouse or former spouse under an eligible domestic relations order, with regard to the interest of the spouse or former spouse.

(8) Beginning January 1, 2002, except as otherwise provided in this subsection, “eligible retirement plan” means 1 or more of the following:

(a) An individual retirement account described in section 408(a) of the internal revenue code, 26 USC 408.

(b) An individual retirement annuity described in section 408(b) of the internal revenue code, 26 USC 408.

(c) An annuity plan described in section 403(a) of the internal revenue code, 26 USC 403.

(d) A qualified trust described in section 401(a) of the internal revenue code, 26 USC 401.

(e) An annuity contract described in section 403(b) of the internal revenue code, 26 USC 403.

(f) An eligible plan under section 457(b) of the internal revenue code, 26 USC 457, which is maintained by a state, political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such eligible plan under section 457(b) of the internal revenue code, 26 USC 457, from this retirement system, that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to a surviving spouse, an eligible retirement plan means an individual retirement account or an individual retirement annuity described above.

(g) Beginning January 1, 2008, except as otherwise provided in this subsection, “eligible retirement plan” means a Roth individual retirement account as described in section 408A of the internal revenue code, 26 USC 408A.

(9) Beginning January 1, 2007, “eligible rollover distribution” means a distribution of all or any portion of the balance to the credit of the distributee. Eligible rollover distribution does not include any of the following:

(a) A distribution made for the life or life expectancy of the distributee or the joint lives or joint life expectancies of the distributee and the distributee’s designated beneficiary.

(b) A distribution for a specified period of 10 years or more.

(c) A distribution to the extent that the distribution is required under section 401(a)(9) of the internal revenue code, 26 USC 401.

(d) The portion of any distribution that is not includable in federal gross income, except to the extent such portion of the distribution is paid to any of the following:

(i) An individual retirement account or annuity described in section 408(a) or 408(b) of the internal revenue code, 26 USC 408.

(ii) A qualified plan described in section 401(a) of the internal revenue code, 26 USC 401, or an annuity contract described in section 403(b) of the internal revenue code, 26 USC 403, and the plan providers agree to separately account for the amounts paid, including any portion of the distribution that is includable in federal gross income, and the portion of the distribution which is not so includable.

(10) “Employee organization professional services leave” or “professional services leave” means a leave of absence that is renewed annually by the reporting unit so that a member may accept a position with a public school employee organization to which he or she belongs and which represents employees of a reporting unit in employment matters. The member
shall be included in membership of the retirement system during a professional services leave if all of the conditions of section 71(5) and (6) are satisfied.

(11) “Employee organization professional services released time” or “professional services released time” means a portion of the school fiscal year during which a member is released by the reporting unit from his or her regularly assigned duties to engage in employment matters for a public school employee organization to which he or she belongs. The member’s compensation received or service rendered, or both, as applicable, by a member while on professional services released time shall be reportable to the retirement system if all of the conditions of section 71(5) and (6) are satisfied.

(12) “Final average compensation” means the aggregate amount of a member’s compensation earned within the averaging period in which the aggregate amount of compensation was highest divided by the member's number of years, including any fraction of a year, of credited service during the averaging period. The averaging period shall be 36 consecutive calendar months if the member contributes to the member investment plan; otherwise, the averaging period shall be 60 consecutive calendar months. If the member has less than 1 year of credited service in the averaging period, the number of consecutive calendar months in the averaging period shall be increased to the lowest number of consecutive calendar months that contains 1 year of credited service.

(13) “Health benefits” means hospital, medical-surgical, and sick care benefits and dental, vision, and hearing benefits for retirants, retirement allowance beneficiaries, and health insurance dependents provided pursuant to section 91.

(14) “Internal revenue code” means the United States internal revenue code of 1986.

(15) “Long-term care insurance” means group insurance that is authorized by the retirement system for retirants, retirement allowance beneficiaries, and health insurance dependents, as that term is defined in section 91, to cover the costs of services provided to retirants, retirement allowance beneficiaries, and health insurance dependents, from nursing homes, assisted living facilities, home health care providers, adult day care providers, and other similar service providers.

(16) “Member investment plan” means the program of member contributions described in section 43a.

38.1408 Administration of retirement system as qualified pension plan created in trust under internal revenue code; requirements and benefit limitations; qualified military service.

Sec. 108. (1) This section is enacted pursuant to federal law that imposes certain administrative requirements and benefit limitations for qualified governmental plans. This state intends that the retirement system be a qualified pension plan created in trust under section 401 of the internal revenue code, 26 USC 401, and that the trust be an exempt organization under section 501 of the internal revenue code, 26 USC 501. The department shall administer the retirement system to fulfill this intent.

(2) The retirement system shall be administered in compliance with the provisions of section 415 of the internal revenue code, 26 USC 415, and regulations under that section that are applicable to governmental plans and beginning January 1, 2010, applicable provisions of the final regulations issued by the internal revenue service on April 5, 2007. Employer-financed benefits provided by the retirement system under this act shall not exceed the applicable limitations set forth in section 415 of the internal revenue code, 26 USC 415, as adjusted by the commissioner of internal revenue under section 415(d) of the internal revenue code, 26 USC 415, to reflect cost-of-living increases, and the retirement system shall adjust the benefits, including benefits payable to retirants and retirement allowance beneficiaries, subject to the limitation each calendar year to conform with the adjusted limitation. For purposes of section 415(b) of the internal revenue code, 26 USC 415, the applicable limitation
shall apply to aggregated benefits received from all qualified pension plans for which the
office of retirement services coordinates administration of that limitation. If there is a conflict
between this section and another section of this act, this section prevails.

(3) The assets of the retirement system shall be held in trust and invested for the sole
purpose of meeting the legitimate obligations of the retirement system and shall not be
used for any other purpose. The assets shall not be used for or diverted to a purpose other
than for the exclusive benefit of the members, deferred members, retirants, and retirement
allowance beneficiaries.

(4) The retirement system shall return post-tax member contributions made by a mem-
ber and received by the retirement system to a member upon retirement, pursuant to
internal revenue service regulations and approved internal revenue service exclusion ratio
tables.

(5) The required beginning date for retirement allowances and other distributions shall
not be later than April 1 of the calendar year following the calendar year in which the
employee attains age 70-1/2 or April 1 of the calendar year following the calendar year in
which the employee retires. The required minimum distribution requirements imposed by
section 401(a)(9) of the internal revenue code, 26 USC 401, shall apply to this act and be
administered in accordance with a reasonable and good faith interpretation of the required
minimum distribution requirements for all years to which the required minimum distribution
requirements apply to the act.

(6) If the retirement system is terminated, the interest of the members, deferred members,
retirants, and retirement allowance beneficiaries in the retirement system is nonforfeitable
to the extent funded as described in section 411(d)(3) of the internal revenue code, 26 USC 411,
and the related internal revenue service regulations applicable to governmental plans.

(7) Notwithstanding any other provision of this act to the contrary that would limit a
distributee's election under this act, a distributee may elect, at the time and in the manner
prescribed by the retirement board, to have any portion of an eligible rollover distribution
paid directly to an eligible retirement plan specified by the distributee in a direct rollover.
This subsection applies to distributions made on or after January 1, 1993.

(8) For purposes of determining actuarial equivalent retirement allowances under sec-
tions 45 and 85(1)(b), (1)(c), (1)(d), and (2), the actuarially assumed interest rate shall be 8%
with utilization of the 1983 group annuity and mortality table.

(9) Notwithstanding any other provision of this act, the compensation of a member of the
retirement system shall be taken into account for any year under the retirement system only
to the extent that it does not exceed the compensation limit established in section 401(a)(17)
of the internal revenue code, 26 USC 401, as adjusted by the commissioner of internal rev-
enue. This subsection applies to any person who first becomes a member of the retirement
system on or after October 1, 1996.

(10) Notwithstanding any other provision of this act, contributions, benefits, and service
credit with respect to qualified military service will be provided under the retirement sys-
tem in accordance with section 414(u) of the internal revenue code. This subsection applies
to all qualified military service on or after December 12, 1994. Effective January 1, 2007, in
accordance with section 401(a)(37) of the internal revenue code, 26 USC 401, if a member dies
while performing qualified military service, for purposes of determining any death benefits
payable under this act, the member shall be treated as having resumed and then terminated
employment on account of death.

This act is ordered to take immediate effect.
Approved December 23, 2008.
Filed with Secretary of State December 23, 2008.
AN ACT to amend 1957 PA 261, entitled “An act for the creation, maintenance, and administration of a legislative members’ and presiding officers’ retirement system within the legislature; to provide retirement allowances to the participants of the retirement system, and survivors’ allowances and other benefits to their beneficiaries upon death; to exempt those allowances and benefits from certain taxes and legal processes; to establish certain funds in connection with the retirement system; to authorize and make appropriations for the retirement system; to prescribe the powers and duties of certain state departments, agencies, officials, and employees; and to prescribe penalties and provide remedies,” by amending sections 8a and 59a (MCL 38.1008a and 38.1059a), section 8a as amended by 2002 PA 97 and section 59a as amended by 2006 PA 614.

The People of the State of Michigan enact:

38.1008a Definitions.

Sec. 8a. (1) Beginning January 1, 2002, except as otherwise provided in this subsection, “eligible retirement plan” means 1 or more of the following:

(a) An individual retirement account described in section 408(a) of the internal revenue code, 26 USC 408.

(b) An individual retirement annuity described in section 408(b) of the internal revenue code, 26 USC 408.

(c) An annuity plan described in section 403(a) of the internal revenue code, 26 USC 403.

(d) A qualified trust described in section 401(a) of the internal revenue code, 26 USC 401.

(e) An annuity contract described in section 403(b) of the internal revenue code, 26 USC 403.

(f) An eligible plan under section 457(b) of the internal revenue code, 26 USC 457, that is maintained by a state, political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state and that agrees to separately account for amounts transferred into the eligible plan under section 457(b) of the internal revenue code, 26 USC 457, from this retirement system, that accepts the distributee’s eligible rollover distribution.

(g) Beginning January 1, 2008, a Roth individual retirement account as described in section 408A of the internal revenue code, 26 USC 408A, subject to the rules that apply to rollovers from a traditional individual retirement account to a Roth individual retirement account.

(2) Beginning January 1, 2007, “eligible rollover distribution” means a distribution of all or any portion of the balance to the credit of the distributee. Eligible rollover distribution does not include any of the following:

(a) A distribution made for the life or life expectancy of the distributee or the joint lives or joint life expectancies of the distributee and the distributee’s designated beneficiary.

(b) A distribution for a specified period of 10 years or more.

(c) A distribution to the extent that the distribution is required under section 401(a)(9) of the internal revenue code.
(d) The portion of any distribution that is not includable in federal gross income, except to the extent such portion of the distribution is paid to either of the following:

(i) An individual retirement account or annuity described in section 408(a) or 408(b) of the internal revenue code, 26 USC 408.

(ii) A qualified plan described in section 401(a) of the internal revenue code, 26 USC 401, or an annuity contract described in section 403(b) of the internal revenue code, 26 USC 403, and the plan providers agree to separately account for the amounts paid, including any portion of the distribution that is includable in federal gross income, and the portion of the distribution which is not so includable.

(3) “Internal revenue code” means the United States internal revenue code of 1986.

38.1059a Retirement system as qualified pension plan; administrative requirements and benefit limitations; qualified military service.

Sec. 59a. (1) This section is enacted pursuant to section 401(a) of the internal revenue code, 26 USC 401, that imposes certain administrative requirements and benefit limitations for qualified governmental plans. This state intends that the retirement system be a qualified pension plan created in trust under section 401 of the internal revenue code, 26 USC 401, and that the trust be an exempt organization under section 501 of the internal revenue code, 26 USC 501. The board of trustees shall administer the retirement system to fulfill this intent.

(2) Notwithstanding any other provision of this act, the retirement system shall be administered in compliance with section 415 of the internal revenue code, 26 USC 415, and regulations under that section that are applicable to governmental plans and beginning January 1, 2010, applicable portions of the final regulations issued by the internal revenue service on April 5, 2007. Employer-financed benefits provided by the retirement system under this act shall not exceed the applicable limitations of section 415 of the internal revenue code, 26 USC 415, as adjusted by the commissioner of internal revenue under section 415(d) of the internal revenue code, 26 USC 415, to reflect cost of living increases, and the retirement system shall adjust the benefits, including benefits payable to retirants and retirement allowance survivors, subject to the limitation each calendar year to conform with the adjusted limitation. For purposes of section 415(b) of the internal revenue code, 26 USC 415, the applicable limitation shall apply to aggregated benefits received from all qualified pension plans for which the office of retirement services coordinates administration of that limitation. If there is a conflict between this section and another section of this act, this section prevails.

(3) The assets of the retirement system shall be held in trust and invested for the sole purpose of meeting the legitimate obligations of the retirement system and shall not be used for any other purpose. The assets shall not be used for or diverted to a purpose other than for the exclusive benefit of the members, vested former members, retirants, and retirement allowance beneficiaries before satisfaction of all retirement system liabilities.

(4) The retirement system shall return post-tax member contributions made by a member and received by the retirement system to a member upon retirement, pursuant to internal revenue service regulations and approved internal revenue service exclusion ratio tables.

(5) The required beginning date for retirement allowances and other distributions shall not be later than April 1 of the calendar year following the calendar year in which the employee attains age 70-1/2 or April 1 of the calendar year following the calendar year in which the employee retires. The required minimum distribution requirements imposed by section 401(a)(9) of the internal revenue code, 26 USC 401, shall apply to this act and be administered in accordance with a reasonable and good faith interpretation of the required
minimum distribution requirements for all years to which the required minimum distribution requirements apply to this act.

(6) If the retirement system is terminated, the interest of the members, deferred vested members, retirants, and retirement allowance beneficiaries in the retirement system is non-forfeitable to the extent funded as described in section 411(d)(3) of the internal revenue code, 26 USC 411(d)(3), and related internal revenue service regulations applicable to governmental plans.

(7) Notwithstanding any other provision of this act to the contrary that would limit a distributee's election under this act, a distributee may elect, at the time and in the manner prescribed by the board of trustees, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover. This subsection applies to distributions made on or after January 1, 1993.

(8) For purposes of determining actuarial equivalent retirement allowances under this act, the actuarially assumed interest rate shall be 7% with utilization of the 1971 group annuity and mortality table.

(9) Notwithstanding any other provision of this act, the compensation of a member of the retirement system shall be taken into account for any year under the retirement system only to the extent that it does not exceed the compensation limit established in section 401(a)(17) of the internal revenue code, 26 USC 401(a)(17), as adjusted by the commissioner of internal revenue. This subsection applies to any person who first becomes a member of the retirement system on or after October 1, 1996.

(10) Notwithstanding any other provision of this act, contributions, benefits, and service credit with respect to qualified military service will be provided under the retirement system in accordance with section 414(u) of the internal revenue code, 26 USC 414(u). This subsection applies to all qualified military service on or after December 12, 1994. Beginning January 1, 2007, in accordance with section 401(a)(37) of the internal revenue code, 26 USC 401, if a member dies while performing qualified military service, for purposes of determining any death benefits payable under this act, the member will be treated as having resumed and then terminated employment on account of death.

This act is ordered to take immediate effect.
Approved December 23, 2008.
Filed with Secretary of State December 23, 2008.

[No. 356]

(HB 6741)

AN ACT to amend 1986 PA 268, entitled “An act to create the legislative council; to prescribe its membership, powers, and duties; to create a legislative service bureau to provide staff services to the legislature and the council; to provide for operation of legislative parking facilities; to create funds; to provide for the expenditure of appropriated funds by legislative council agencies; to authorize the sale of access to certain computerized data bases; to establish fees; to create the Michigan commission on uniform state laws; to create a law revision commission; to create a senate fiscal agency and a house fiscal agency; to create a Michigan capitol committee; to create a commission on intergovernmental relations; to prescribe the powers and duties of certain state agencies and departments; to repeal certain acts and parts of acts; and to repeal certain parts of this act on specific dates,” by amending sections 782 and 783 (MCL 4.1782 and 4.1783), section 782 as added by 2007 PA 98 and section 783 as added by 2007 PA 99.
The People of the State of Michigan enact:

4.1782  Legislative commission on statutory mandates; creation; membership; appointment; term; discharge of duties; eligibility; vacancy; meeting; chairperson; quorum; conduct of business at public meeting; writings subject to freedom of information act; compensation; duties; report; access to information, records, and documents; subpoena power; noncompliance; "local unit of government" defined.

Sec. 782. (1) The legislative commission on statutory mandates is created within the legislative council.

(2) The commission shall consist of the following 5 members:
   (a) One member appointed by the speaker of the house of representatives.
   (b) One member appointed by the minority leader of the house of representatives.
   (c) One member appointed by the majority leader of the senate.
   (d) One member appointed by the minority leader of the senate.
   (e) One member of the public jointly selected by the speaker of the house of representatives and the majority leader of the senate, who is an attorney licensed to practice in this state.

(3) The members first appointed to the commission shall be appointed within 60 days after October 1, 2007.

(4) Members of the commission shall serve for a term of 3 years. A member of the commission shall discharge the duties of his or her position in a nonpartisan manner, with good faith, and with that degree of diligence, care, and skill that an ordinarily prudent person would exercise under similar circumstances in a like position.

(5) Legislators and other state employees are not eligible to be a member of the commission. Members of the commission shall be individuals who have knowledge of, education in, or experience with the best practices of 1 or more of the following fields:
   (a) Organizational efficiency.
   (b) Government operations.
   (c) Public finance.
   (d) Administrative law.

(6) If a vacancy occurs on the commission, the member shall be replaced in the same manner as the original appointment.

(7) The first meeting of the commission shall be called by the majority leader of the senate not later than 60 days after October 1, 2007. The member appointed by the majority leader of the senate and the member appointed by the speaker of the house of representatives shall be co-chairpersons of the commission. The chairperson position shall rotate each month between the co-chairpersons. The member appointed by the majority leader of the senate shall be the chairperson of the commission for the first month. At the first meeting, the commission shall elect from among its members other officers as it considers necessary or appropriate. After the first meeting, the commission shall meet at least monthly, or more frequently at the call of the chairperson for that month or if requested by 3 or more members.

(8) A majority of the members of the commission constitute a quorum for the transaction of business at a meeting of the commission. A majority of the members are required for official action of the commission.

(9) The business that the commission may perform shall be conducted at a public meeting of the commission held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.
(10) A writing prepared, owned, used, in the possession of, or retained by the commission in the performance of an official function is subject to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(11) Members of the commission shall serve without compensation. However, members of the commission may be reimbursed for reasonable and necessary expenses incurred in the performance of their official duties as members of the commission subject to available appropriations.

(12) Not later than June 30, 2009, the commission shall compile all of the following in an interim report to each house of the legislature and the governor:

(a) The most significant funded and unfunded mandates imposed on local units of government in state law as identified by those local units of government.

(b) The most significant reporting requirements imposed on local units of government in state law as identified by those local units of government.

(c) The range of cost to local units of government of complying with each funded and unfunded mandate identified in subdivision (a).

(d) The range of cost to local units of government of complying with each reporting requirement identified in subdivision (b).

(13) Not later than December 31, 2009, the commission shall make specific determinations of the items described in subsection (12) and report those determinations to each house of the legislature and the governor.

(14) The governor may direct that state agencies subject to the supervision of the governor under section 8 of article V of the state constitution of 1963 provide information to the commission to assist the commission in fulfilling its duties under this section. Upon request of the commission, the commission shall be given access to all information, records, and documents in the possession of a state agency that the commission considers necessary to fulfill its duties under this section. The commission may hold hearings and may request that any person appear before the commission, or at a hearing, and give testimony or produce documentary or other evidence that the commission considers relevant to its duties under this section.

(15) In connection with its duties under this section, the commission may request the legislative council to issue a subpoena to compel the attendance and testimony of witnesses before the commission or to compel the production of a book, account, paper, document, or record related to the duties of the commission under this section. The legislative council may issue the subpoena only upon the concurrence of a majority of the house members and a majority of the senate members of the legislative council. A person who refuses to comply with a subpoena issued by the legislative council under this subsection may be punished as for contempt of the legislature.

(16) As used in this section, “local unit of government” includes cities, townships, villages, counties, school districts, intermediate school districts, community colleges, and county road commissions.

4.1783 Report.

Sec. 783. The commission shall include in the report required under section 782(13) recommendations on how to consolidate, streamline, or eliminate funded and unfunded mandates and reporting requirements imposed on local units of government in state law.

This act is ordered to take immediate effect.
Approved December 23, 2008.
Filed with Secretary of State December 23, 2008.

The People of the State of Michigan enact:

565.24 Delivery of instrument to register of deeds; affixing date, hour, and minute; accessibility; destruction of information created or maintained under subsection (2); fee; indexing of instrument; applicability of subsections (2) to (4); "general index date" defined; civil immunity.

Sec. 24. (1) Upon delivery of an instrument to the register of deeds for the purpose of recording, the register shall note the date, hour, and minute of delivery on the first page of the instrument using a stamp or other method signifying that the date, hour, and minute was affixed by the register or a duly authorized representative of the register. If the instrument is received in bulk with other instruments, the date, hour, and minute of delivery shall be affixed in the manner required by this section as soon as is practical after its delivery. The date, hour, and minute so noted shall be presumed to be the date and time of delivery.

(2) Each instrument delivered to a register shall be accessible for public review. Accessibility shall be satisfied by providing the instrument inscribed in a tangible medium when requested. The requirement of this subsection shall be considered to be satisfied if the length of time between a request to locate a particular document or documents and the time the search is initiated and completed is reasonable in light of the volume of all instruments being recorded and the ability to access the requested documents without undue disruption to the office of the register. A register of deeds also may, but is not required to, do any of the following:

(a) Provide at least the first page of the instrument, stored in an electronic or other medium.

(b) Provide a temporary searchable journal containing at least the date of delivery, title of the instrument, and the names of the parties to the instrument.

(3) Any information created or maintained under subsection (2) may be destroyed when the instrument is entered into the index described in section 28 of this chapter or when the instrument is not accepted for recording.

(4) A register shall not charge a fee for any review or search under subsection (2) unless it involves the search of an original instrument. An original instrument is available for public review only in the presence of the register, deputy register, or a representative of the register appointed for that purpose. When a name search is performed by the register or a representative of the register, a reasonable fee, not to exceed $15.00 for each 15 minutes or fraction thereof, may be charged for any search or review requested.

(5) Subsections (2) to (4) do not apply once the instrument is indexed as required in section 28 of this chapter.

(6) The register of deeds shall post in a conspicuous place in the register's office the general index date and shall maintain a record that memorializes both the calendar date and general index date that was posted on that calendar date. This public record shall be maintained in any reasonable medium that the register of deeds may select in his or her sole discretion. As used in this subsection, "general index date" means that date through which all recorded instruments bearing a delivery date up to and including the general index date have been fully recorded at length and indexed and are available for public inspection.
(7) If a county register of deeds or an officer, employee, or agent of a register of deeds is, or believes he or she is, acting within the scope of his or her authority and in the course of his or her employment when authorizing, conducting, or deciding when or whether to conduct a search under subsection (2), that action is within the exercise or discharge of his or her governmental function, and the register of deeds or the officer, employee, or agent is immune from any claim for liability, including tort liability, that might otherwise entitle any person or other entity or corporation to monetary damages. The civil immunity provided under this section is in addition to any civil immunity provided under law, including, but not limited to, the application of section 7 of 1964 PA 170, MCL 691.1407.

565.24a Assignment of liber and page or unique identifying number; satisfaction of recording requirements; delivery of instrument rejected on prior occasion.

Sec. 24a. (1) The register’s assignment of a liber and page or other unique identifying number is prima facie evidence that the instrument has satisfied all recording requirements, including the payment of fees, and has been accepted for recording.

(2) An instrument is deemed to be recorded at the date and time of delivery to the register if the instrument is later determined to have satisfied all recording requirements, including the payment of fees.

(3) When an instrument that was rejected on a prior occasion is delivered, a new delivery date and time shall be noted on the face of the instrument as required by section 24 of this chapter, and the later date and time shall be rebuttably presumed to be the date and time of delivery.

565.25 Perfecting recording; conditions; exemptions; liability for certain conduct; penalties.

Sec. 25. (1) Except as otherwise provided in subsection (2), the recording of a levy, attachment, lien, lis pendens, sheriff’s certificate, marshal’s certificate, or other instrument of encumbrance does not perfect the instrument of encumbrance unless both of the following are found by a court of competent jurisdiction to have accompanied the instrument when it was delivered to the register under section 24(1) of this chapter:

(a) A full and fair accounting of the facts that support recording of the instrument of encumbrance and supporting documentation, as available.

(b) Proof of service that actual notice has been given to the recorded landowner of the land to which the instrument of encumbrance applies.

(2) Subsection (1) does not apply to any of the following:

(a) A tax lien that is not required to be recorded pursuant to the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(b) The filing of an instrument of encumbrance authorized by state statute or federal statute.

(c) The filing of a consensual agreement to encumber real property entered into between the owner of real property and the person who seeks to record an encumbrance. A consensual agreement includes but is not limited to a mortgage, loan agreement, land contract, or other consensual or contractual agreement of whatever description entered into between the owner of real property and the person who seeks to record an encumbrance.

(d) The filing of an encumbrance authorized in a final order by a court of competent jurisdiction.
(e) A filing of a levy, attachment, lien, lis pendens, sheriff’s certificate, marshal’s certificate, or other instrument of encumbrance by a commercial lending institution. As used in this section, “commercial lending institution” means any of the following:

(i) A state or nationally chartered bank.

(ii) A state or federally chartered savings and loan association or savings bank.

(iii) A state or federally chartered credit union.

(iv) Any other state or federally chartered lending institution or regulated affiliate or regulated subsidiary of any entity listed in this subparagraph or subparagraphs (i) to (iii).

(v) An insurance company authorized to do business in this state pursuant to the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302.

(vi) A motor vehicle finance company subject to the motor vehicle sales finance act, 1950 (Ex Sess) PA 27, MCL 492.101 to 492.141, with net assets in excess of $50,000,000.00.

(vii) A foreign bank.

(viii) A retirement fund regulated pursuant to state law, or a pension fund of a local unit of government or a pension fund regulated pursuant to federal law with net assets in excess of $50,000,000.00.

(ix) A federal, state, or local agency authorized by law to hold a security interest in real property or a local unit of government holding a reversionary interest in real property.

(x) A nonprofit tax exempt organization created to promote economic development in which a majority of the organization’s assets are held by a local unit of government.

(xi) An entity within the federally chartered farm credit system.


(xiv) A retail seller under the retail installment sales act, 1966 PA 224, MCL 445.851 to 445.873.

(xv) A licensee under the secondary mortgage loan act, 1981 PA 125, MCL 493.51 to 493.81, pertaining to secondary mortgages.

(xvi) A licensee under the consumer financial services act, 1988 PA 161, MCL 487.2051 to 487.2072.

(xvii) A licensee under the regulatory loan act, 1939 PA 21, MCL 493.1 to 493.24.

(xviii) A regulated lender under the credit reform act, 1995 PA 162, MCL 445.1851 to 445.1864.

(3) A person who is not exempt under subsection (2) who encumbers property through the recording of an instrument listed under subsection (1) without lawful cause with the intent to harass or intimidate any person is liable for the penalties set forth in section 2907a of the revised judicature act of 1961, 1961 PA 236, MCL 600.2907a.

**Conditional effective date.**

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 1160 of the 94th Legislature is enacted into law.

This act is ordered to take immediate effect.

Approved December 23, 2008.

Filed with Secretary of State December 23, 2008.
[No. 358]

(SB 1160)

AN ACT to amend 1846 RS 65, entitled “Of alienation by deed, and the proof and record-
ing of conveyances, and the canceling of mortgages,” by amending sections 27, 28, and 43 (MCL 565.27, 565.28, and 565.43), sections 28 and 43 as amended by 1992 PA 212; and to
repeal acts and parts of acts.

The People of the State of Michigan enact:

565.27 Recorded instruments; contents.

Sec. 27. The register may note upon every instrument he or she records the date and
time when it was accepted, after the instrument met all recording requirements including
the payment of fees. The register also shall note a reference to the liber and page, or other
unique identifying number, where it is recorded.

565.28 General index; contents; computerized index; securing com-
puterized and primary indexes.

Sec. 28. (1) Each register of deeds shall keep a general index of instruments accepted for
recording, after the instruments have met all recording requirements, including the payment
of fees, by means of books or computerization or a combination of both. The index shall
include the following information:

(a) Liber and page, or other unique identifying number, which shall be sequentially,
not randomly, assigned.

(b) Instrument type.

(c) The name of each party to each instrument.

(d) Date processed, having met all recording requirements, including payment of fees.

(e) Location of land: section, town and range, platted description, or other description
authorized by law.

(f) Other reference information as required.

(2) Each computerized index shall be maintained to allow for an alphabetical search of
the names of each party to each instrument recorded by the register of deeds.

(3) Each computerized index shall be secured by a duplicate index maintained at a
separate location from the primary index.

(4) The primary index shall be secured by a code, key, or other system designed to
prohibit an unauthorized person from altering the index.

565.43 Discharge of mortgage; recording of certificate; reproduced
documents; reference to liber and page containing certificate.

Sec. 43. Every certificate described in section 42 of this chapter, and the proof or acknowl-
edgment of the certificate, shall be recorded at full length, and a reference shall be made
to the liber and page, or other unique identifying number, containing the certificate, in the
minutes of the discharge of the mortgage made by the register upon the mortgage. If the
register of deeds is authorized by the board of commissioners to reproduce deeds, mortgages,
maps, instruments, or writings, as provided in section 2 of 1964 PA 105, MCL 691.1102, and
the mortgage does not exist in a hard copy medium, it is not necessary for him or her to make
reference to the liber and page containing the certificate on the liber and page containing the
mortgage. Instead, reference to the liber and page containing the certificate shall be made in
the index to the permanent index of mortgages.
Repeal of MCL 565.26.
Enacting section 1. Section 26 of 1846 RS 65, MCL 565.26, is repealed.

Conditional effective date.
Enacting section 2. This amendatory act does not take effect unless Senate Bill No. 927 of the 94th Legislature is enacted into law.

This act is ordered to take immediate effect.
Approved December 23, 2008.
Filed with Secretary of State December 23, 2008.


[No. 359]
(SB 1342)

AN ACT to amend 1966 PA 331, entitled “An act to revise and consolidate the laws relating to community colleges; to provide for the creation of community college districts; to provide a charter for such districts; to provide for the government, control and administration of such districts; to provide for the election of a board of trustees; to define the powers and duties of the board of trustees; to provide for the assessment, levy, collection and return of taxes therefor; to prescribe penalties and provide remedies; and to repeal acts and parts of acts,” (MCL 389.1 to 389.195) by amending the title, as amended by 1998 PA 153, and by adding chapter 13 to part 2.

The People of the State of Michigan enact:

TITLE

An act to revise and consolidate the laws relating to community colleges; to provide for the creation of community college districts; to provide a charter for such districts; to provide for the government, control and administration of such districts; to provide for the election of a board of trustees; to define the powers and duties of the board of trustees; to provide for the assessment, levy, collection and return of taxes therefor; to authorize community college districts to operate a new jobs training program, enter into certain training agreements, and issue bonds to finance the training program; to prescribe penalties and provide remedies; and to repeal acts and parts of acts.

PART 2
CHAPTER 13
NEW JOBS TRAINING PROGRAMS

389.161 Definitions.
Sec. 161. As used in this chapter:
(a) “Agreement” means a written agreement between an employer and a community college district concerning a project and any amendments to that agreement.
(b) “Bond” or “bonds” means bonds, notes, or other debt issued by a community college district under this chapter.
(c) “Employer” means a person that is engaged in business and has employees in this state.

(d) “New job” means a full-time job in this state that meets all of the following:

(i) Except as provided in subparagraph (ii) or (iii), is a new, existing, or expanding business of an employer.

(ii) Is not a job of a recalled worker, a replacement job, or any other job that existed in the employer’s business within the 1-year period preceding the date of an agreement.

(iii) Is not a job that is part of an employer’s business operation located in a municipality in this state, if that job existed in a business operation or a substantially similar business operation of the employer formerly located in another municipality in this state, the employer moved that business operation or substantially similar business operation to its current location, and the employer closed or substantially reduced that former business operation or substantially similar business operation.

(iv) Results in a net increase in employment in this state for that employer.

(v) The wage paid for the job is equal to or exceeds 175% of the state minimum wage.

(e) “New jobs credit from withholding” means the credit established in section 163.

(f) “New jobs training program” or “program” means the project or projects established by a community college district for the creation of jobs by providing education and training or retraining of workers for new jobs.

(g) “Program costs” mean all necessary and incidental costs of providing program services.

(h) “Program services” include, but are not limited to, any of the following:

(i) Training or retraining for new jobs.

(ii) Adult basic education and job-related instruction.

(iii) Developmental, readiness, and remedial education.

(iv) Vocational and skill-assessment services and testing.

(v) Training facilities, equipment, materials, and supplies.

(vi) Administrative expenses for the new jobs training program.

(vii) Subcontracted services with public universities and colleges in this state, private colleges or universities, or any federal, state, or local departments or agencies.

(viii) Contracted or professional services.

(i) “Project” means a training arrangement that is the subject of an agreement entered into between the community college district and an employer to provide program services.

(j) “State minimum wage” means the minimum hourly wage rate under the minimum wage law of 1964, 1964 PA 154, MCL 408.381 to 408.398.

389.162 Agreement by community college and employer; establishment of project; provisions; payments as lien on employer’s business property; filing with department of treasury; limitation on entering new agreements.

Sec. 162. (1) Subject to subsection (4), a community college district may enter into an agreement to establish a project with an employer engaged in business activities anywhere in the state. An agreement shall meet section 163 and all of the following:

(a) Shall provide for program costs that may be paid from a new jobs credit from withholding, to be received or derived from new employment resulting from the project, or from tuition, student fees, or special charges fixed by the board of trustees to defray program costs in whole or in part.
(b) Shall contain an estimate of the number of new jobs to be created by the employer.

(c) Shall include a provision that fixes, on a quarterly basis, the minimum amount of new jobs credit from withholding to be paid for program costs.

(d) Shall provide that if the amount received from the new jobs credit from withholding is insufficient to pay program costs, the employer agrees to provide money, at least quarterly, to make up the shortfall, so that the community college district receives for each quarter the minimum amount of new jobs credit from withholding that is provided in the agreement.

(e) Shall include the employer’s agreement to mortgage, assign, pledge, or place a lien on any real or personal property as required by the community college district as security for its obligations under the agreement.

(f) Shall provide for payment of an administrative fee to the community college district in an amount equal to 15% of the aggregate amount to be paid under the agreement.

(g) May contain other provisions the community college district considers appropriate or necessary.

(2) Any payments required to be made by an employer under an agreement are a lien on the employer's business property, real and personal, until paid, have equal precedence with property taxes, and shall not be divested by a judicial sale. Property subject to the lien established in this subsection may be sold for sums due and delinquent at a tax sale, with the same forfeitures, penalties, and consequences as for the nonpayment of property taxes. The purchaser at tax sale obtains the property subject to the remaining payments required under the agreement.

(3) A community college district shall file a copy of an agreement with the department of treasury promptly after its execution.

(4) A community college district shall not enter into any new agreements after December 31, 2018.

389.163 Payments from receipt of money from new jobs credit from withholding; agreement; provisions; amount remitted to community college district; information to be provided to department of treasury.

Sec. 163. (1) If any part of the program costs of a new jobs training program are to be paid from receipt of money from a new jobs credit from withholding, the agreement shall contain all of the following provisions:

(a) That program costs are to be paid from money received from a new jobs credit from withholding.

(b) That the new jobs credit from withholding shall be based on salary and wages paid to employees of the employer in the new jobs.

(c) That for each employee in a new job, the employer shall each month pay the amount required to be deducted and withheld by the employer under section 351 of the income tax act of 1967, 281 PA 1967, MCL 206.351, to the community college district in the same manner as the employer returns and pays withholding payments to the revenue division of the department of treasury, and the community college district shall pay the amounts received into a special fund to pay program costs and the principal of and interest on any bonds issued by the community college district to finance or refinance the project in whole or in part.

(d) That the community college district may irrevocably pledge the new jobs credit from withholding, and the special fund into which the withholdings are paid, for the payment of the principal of and interest on bonds issued by a community college district to finance or refinance the project in whole or in part.
(e) That for each new jobs credit from withholding paid to a community college district under subdivision (c), the employer shall certify to the department of treasury that the payment was made pursuant to an agreement and shall provide any other information reasonably requested by the department of treasury.

(f) Any other provisions required by the community college district.

(2) At the end of each calendar quarter, a community college district receiving money from a new jobs credit from withholding shall certify to the department of treasury the amount of new jobs credit from withholding each employer with which the community college district has an agreement has remitted to the community college district in that calendar quarter.

(3) By April 1 of each year, each community college district that received money from a new jobs credit from withholding in the preceding calendar year shall provide all of the following information to the department of treasury for the preceding calendar year:

(a) The name of the community college district.

(b) The name of each employer with which the community college district has an agreement, organized by major industry group under the North American industry classification system published by the office of management and budget.

(c) The amount of money from a new jobs credit from withholding each employer described in subdivision (b) has remitted to the community college district.

(d) The amount of new jobs training revenue bonds the community college district has authorized, issued, or sold.

(e) The total amount of the community college district’s debt related to agreements at the end of the calendar year.

(f) The number of degrees or certificates awarded to program participants in the calendar year.

(g) The number of individuals who entered a program at the community college district in the calendar year; who completed the program in the calendar year; and who were enrolled in a program at the end of the calendar year.

(h) The number of individuals who completed a program an employer described in subdivision (b) hired to fill new jobs.

(i) Any other information reasonably requested by the department of treasury.

389.164 New jobs training revenue bonds.

Sec. 164. (1) Subject to subsection (16), by resolution of its board of trustees, a community college district may authorize, issue, and sell its new jobs training revenue bonds in anticipation of payments to be received pursuant to an agreement, subject to the requirements of this chapter, to finance costs of new jobs training programs and to pay costs of issuing those bonds. The bonds shall be payable in the manner and on the terms and conditions determined, or within the parameters specified, by the board in the resolution authorizing issuance of the bonds. The resolution authorizing the bonds shall create a lien on the receipts from new jobs credit from withholding to be received by the community college district pursuant to an agreement or agreements that shall be a statutory lien and shall be a first lien subject only to liens previously created. As additional security, in the resolution authorizing the bonds, the board of trustees may also pledge the limited tax full faith and credit of the district and may authorize and enter into an insurance contract, agreement for lines of credit, letter of credit, commitment to purchase obligations, remarketing agreement, reimbursement agreement, tender agreement, or any other transaction necessary to provide security to assure timely payment of any bonds.
(2) Bonds described in subsection (1) shall be authorized by resolution of the board of trustees, and shall bear the date or dates, and shall mature at the time or times, not exceeding 20 years from the date of issue, provided in the resolution. The bonds shall bear interest at the rate or rates, fixed or variable or a combination of fixed and variable, be in the denominations, be in the form, either coupon or registered, carry the registration privileges, be executed in the manner, be payable in the medium of payment and at the place or places, and be subject to the terms of redemption provided in the resolution or resolutions. The bonds of the community college district may be sold at a competitive or negotiated sale at par, premium, or discount as determined in the authorizing resolution.

(3) A community college district may issue bonds described in subsection (1) with respect to a single project or multiple projects as determined by the board of trustees in the resolution authorizing the issuance of the bonds. The board of trustees may determine to sell the bonds in conjunction with the sale of bonds by another community college district.

(4) Any resolution authorizing any bonds under this section, or any issue of bonds of those bonds, may contain provisions concerning any of the following, and those provisions are part of the contract with the holders of the bonds:

(a) Pledging all or any part of any fees or available funds of the community college district, or other money received or to be received, to secure the payment of the bonds or of any issue of bonds, and subject to any agreements with bondholders as may then exist.

(b) Pledging all or any part of the assets of the community college district, including mortgages and obligations securing the assets, to secure the payment of the bonds or of any issue of bonds, subject to any agreements with bondholders as may then exist.

(c) The setting aside of reserves or sinking funds and the regulation and disposition of reserves or sinking funds.

(d) Limitations on the purpose to which the proceeds of sale of bonds may be applied and pledging the proceeds to secure the payment of the bonds or of any issue of bonds.

(e) Limitations on the issuance of additional bonds; the terms on which additional bonds may be issued and secured; and the refunding of outstanding or other bonds.

(f) The procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent to the amendment or abrogation, and the manner in which bondholders may give that consent.

(g) Vesting in a trustee or trustees the property, rights, powers, and duties in trust determined by the board of trustees of the community college district.

(h) Any other matters that in any way affect the security or protection of the bonds.

(i) Delegating to an officer or other employee of the community college district, or an agent designated by the community college district, the power to cause the issue, sale, and delivery of the bonds within limits on those bonds established by the community college district concerning any of the following:

(i) The form of the bonds.

(ii) The maximum interest rate or rates of the bonds.

(iii) The maturity date or dates of the bonds.

(iv) The purchase price of the bonds.

(v) The denominations of the bonds.

(vi) The redemption premiums of the bonds.

(vii) The nature of the security for the bonds.
Any other terms and conditions concerning issuance of the bonds prescribed by the board of trustees of the community college district.

(5) All of the following apply to any pledge of money or other assets made by a community college district to secure any bonds or issue of bonds under this section:

(a) The pledge is valid and binding from the time when the pledge is made.

(b) The money or other assets pledged are immediately subject to the lien of the pledge when received, without any physical delivery of the money or assets or any further act.

(c) The lien of the pledge is valid and binding as against all parties having claims of any kind, in tort, contract, or otherwise, against the community college district, whether or not those parties have notice of the lien.

(d) The community college district is not required to record the resolution or any other instrument creating the pledge.

(6) The board of trustees of a community college district and any person executing bonds subject to this section are not personally liable on the bonds or subject to any personal liability or accountability by reason of the issuance of the bonds.

(7) A community college district issuing bonds under this section may purchase bonds of the community college district out of any funds available for that purpose, subject to any agreements with bondholders in effect at that time. Unless the board of the community college district determines by resolution that the payment of a higher price is in the best interests of the community college district, the community college shall not purchase those bonds at a price that exceeds 1 of the following, as applicable:

(a) If the bonds are redeemable at the time of purchase, the redemption price applicable at that time plus accrued interest to the next interest payment date on the bonds.

(b) If the bonds are not redeemable at the time of purchase, the redemption price applicable on the first date after the purchase on which the bonds are redeemable, plus accrued interest to that date.

(8) Bonds issued under this section are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, except that bonds issued under this section are subject to the maximum rate permitted under section 305 of the revised municipal finance act, 2001 PA 34, MCL 141.2305.

(9) The issuance of bonds under this section is subject to the agency financing reporting act, 2002 PA 470, MCL 129.171 to 129.177.

(10) Bonds issued under this section shall not be considered to be within any limitation of outstanding debt limit applicable to the community college district, including any limitation contained in section 122, but shall be considered as authorized in addition to any limitation of outstanding debt limit applicable to the community college district.

(11) By resolution of its board of trustees, a community college district may refund all or any part of its outstanding bonds issued under this section by issuing refunding bonds. A community college district may issue refunding bonds whether the outstanding bonds to be refunded have or have not matured, are or are not redeemable on the date of issuance of the refunding bonds, or are or are not subject to redemption before maturity.

(12) A community college district may issue refunding bonds under subsection (11) in a principal amount greater than the principal amount of the outstanding bonds to be refunded if necessary to effect the refunding under the refunding plan.

(13) A community college district may use the proceeds of refunding bonds issued under subsection (11) to pay interest accrued, or to accrue, to the earliest or any subsequent date
of redemption, purchase, or maturity of the outstanding bonds to be refunded, redemption premium, if any, and any commission, service fee, and other expense necessary to be paid in connection with the outstanding bonds to be refunded. A community college district may also use the proceeds of refunding bonds to pay part of the cost of issuance of the refunding bonds, interest on the refunding bonds, a reserve for the payment of principal, interest, and redemption premiums on the refunding bonds, and other necessary incidental expenses, including, but not limited to, placement fees and fees or charges for insurance, letters of credit, lines of credit, or commitments to purchase the outstanding bonds to be refunded.

(14) A community college district may apply the proceeds of refunding bonds issued under subsection (11) and other available money to payment of the principal, interest, or redemption premiums, if any, on the refunded outstanding bonds at maturity or on any prior redemption date or may deposit the proceeds or other money in trust to use to purchase and deposit in trust direct obligations of the United States, direct noncallable and nonprepayable obligations that are unconditionally guaranteed by the United States government as to full and timely payment of principal and interest, noncallable and nonprepayable coupons from those obligations that are stripped pursuant to United States treasury programs, and resolution funding corporation bonds and strips, the principal and interest on which when due, together with other available money, will provide funds sufficient to pay principal, interest, and redemption premiums, if any, on the refunded outstanding bonds as the refunded outstanding bonds become due, whether by maturity or on a prior redemption date, as provided in the authorizing resolution.

(15) A community college district is authorized to pay all or part of the costs of new jobs training programs out of funds of the community college district, including self-funding methods. The use of funds of the community college district and self-funding methods to pay the costs of new jobs training programs shall be considered an authorized expenditure of public funds and shall not be construed as an investment.

(16) A community college district shall not authorize, issue, or sell any new jobs training revenue bonds after December 31, 2018.

389.165 Tax exemption.

Sec. 165. Bonds and notes issued by a community college district under this chapter and the interest on and income from those bonds and notes are exempt from taxation by this state or a political subdivision of this state.

389.166 Aggregate outstanding obligation of all agreements; limitation.

Sec. 166. The aggregate outstanding obligation of all agreements entered into under this chapter shall not exceed $50,000,000.00 in any calendar year.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless House Bill No. 6185 of the 94th Legislature is enacted into law.

This act is ordered to take immediate effect.

Approved December 23, 2008.

Filed with Secretary of State December 23, 2008.

AN ACT to amend 1967 PA 281, entitled “An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, and enforcement by lien and otherwise of taxes on or measured by net income; to prescribe the manner and time of making reports and paying the taxes, and the functions of public officers and others as to the taxes; to permit the inspection of the records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits and refunds of the taxes; to prescribe penalties for the violation of this act; to provide an appropriation; and to repeal certain acts and parts of acts,” by amending sections 351, 355, and 365 (MCL 206.351, 206.355, and 206.365), section 351 as amended by 2003 PA 22, section 355 as amended by 2003 PA 48, and section 365 as amended by 2003 PA 47, and by adding section 366.

The People of the State of Michigan enact:

206.351  Deducting and withholding tax on compensation; computation of amount; withholding tables; disposition of taxes withheld; employer as trustee; liability; nonresident employees; providing department with copy of certain exemption certificates; exemption certificate; statement; definitions.

Sec. 351. (1) Every employer in this state required under the provisions of the internal revenue code to withhold a tax on the compensation of an individual, except as otherwise provided, shall deduct and withhold a tax in an amount computed by applying, except as provided by subsection (9), the rate prescribed in section 51 to the remainder of the compensation after deducting from compensation the same proportion of the total amount of personal and dependency exemptions of the individual allowed under this act that the period of time covered by the compensation is of 1 year. The commissioner may prescribe withholding tables that may be used by employers to compute the amount of tax required to be withheld.

(2) Every flow-through entity in this state shall withhold a tax in an amount computed by applying the rate prescribed in section 51 to the share of taxable income available for distribution of each nonresident member after deducting from that distributive income the same proportion of the total amount of personal and dependency exemptions of the individual allowed under this act that the period of time covered by the distributive income is of 1 year. If a flow-through entity is a nonresident member of a separate flow-through entity in this state, the flow-through entity in this state of which it is a member shall withhold the tax as required by this subsection on behalf of the flow-through entity that is a nonresident member and all nonresident members of that flow-through entity that is a nonresident member.

(3) Every casino licensee shall withhold a tax in an amount computed by applying the rate prescribed in section 51 to the winnings of a nonresident reportable by the casino licensee under the internal revenue code.

(4) Every race meeting licensee or track licensee shall withhold a tax in an amount computed by applying the rate prescribed in section 51 to a payoff price on a winning ticket of a nonresident reportable by the race meeting licensee or track licensee under the internal revenue code that is the result of pari-mutuel wagering at a licensed race meeting.

(5) Every casino licensee or race meeting licensee or track licensee shall report winnings of a resident reportable by the casino licensee or race meeting licensee or track licensee under the internal revenue code to the department in the same manner and format as required under the internal revenue code.
(6) Except as otherwise provided under this subsection, all of the taxes withheld under this section shall accrue to the state on the last day of the month in which the taxes are withheld but shall be returned and paid to the department by the employer, flow-through entity, casino licensee, or race meeting licensee or track licensee within 15 days after the end of any month or as provided in section 355, except prior to July 1, 1993, taxes deposited pursuant to section 19(2) of 1941 PA 122, MCL 205.19, are accrued on the last day of the filing period. For an employer or flow-through entity that has entered into an agreement with a community college pursuant to chapter 13 of the community college act of 1966, 1966 PA 331, MCL 389.161 to 389.166, a portion of the taxes withheld under this section that are attributable to each employee in a new job created pursuant to the agreement shall accrue to the community college on the last day of the month in which the taxes are withheld but shall be returned and paid to the community college by the employer or flow-through entity within 15 days after the end of any month or as provided in section 355 for as long as the agreement remains in effect. For purposes of this act and 1941 PA 122, MCL 205.1 to 205.31, payments made by an employer or flow-through entity to a community college under this subsection shall be considered income taxes paid to this state.

(7) An employer, flow-through entity, casino licensee, or race meeting licensee or track licensee required by this section to deduct and withhold taxes on compensation, a share of income available for distribution on which withholding is required under subsection (2), winning on which withholding is required under subsection (3), or a payoff price on which withholding is required under subsection (4) holds the amount of tax withheld as a trustee for the state is liable for the payment of the tax to the state or, if applicable, to the community college and is not liable to any individual for the amount of the payment.

(8) An employer in this state is not required to deduct and withhold a tax on the compensation paid to a nonresident individual employee, who, under section 256, may claim a tax credit equal to or in excess of the tax estimated to be due for the tax year or is exempted from liability for the tax imposed by this act. In each tax year, the nonresident individual shall furnish to the employer, on a form approved by the department, a verified statement of nonresidence.

(9) An employer, flow-through entity, casino licensee, or race meeting licensee or track licensee required to withhold a tax under this act, by the fifteenth day of the following month, shall provide the department with a copy of any exemption certificate on which the employee, nonresident member, or person subject to withholding under subsection (3) or (4) claims more than 9 personal or dependency exemptions, claims a status that exempts the employee, nonresident member, or person subject to withholding under subsection (3) or (4) from withholding under this section, or elects to pay the tax imposed by this act calculated under section 51a.

(10) An employer shall deduct and withhold the tax imposed by this act calculated under section 51a for a resident who files an exemption certificate under subsection (9) to elect to pay the tax calculated under section 51a.

(11) The exemption certificate required by this section shall include the following statement, “Electing to file using the no-form option may not be for everyone who is eligible. If a taxpayer chooses the no-form option, he or she may not be eligible for some of the credits allowed under this act including the property tax credit allowed under sections 520 and 522, the tuition tax credit allowed under section 274, and the city income tax credit allowed under section 257.”.

(12) As used in this section:

(a) “Casino” means that term as defined in section 110.

(b) “Casino licensee” means a person licensed to operate a casino under the Michigan gaming control and revenue act, 1996 IL 1, MCL 432.201 to 432.226.
(c) “Race meeting licensee” and “track licensee” mean a person to whom a race meeting license or track license is issued pursuant to section 8 of the horse racing law of 1995, 1995 PA 279, MCL 431.308.

206.355 Employer, entity, or licensee subject to administration, collection, and enforcement provisions; filing; definitions.

Sec. 355. (1) All provisions relating to the administration, collection, and enforcement of this act apply to the employer, flow-through entity, casino licensee, or race meeting licensee or track licensee required to withhold taxes and to the taxes required to be withheld. If the department has reasonable grounds to believe that an employer, flow-through entity, casino licensee, or race meeting licensee or track licensee will not pay taxes withheld to the state or, if applicable, to the community college, as prescribed by this act, or to provide a more efficient administration, the department may require the employer, flow-through entity, casino licensee, or race meeting licensee or track licensee to make the return and pay to the department or, if applicable, to the community college, the tax deducted and withheld at other than monthly periods, or from time to time, or require the employer, flow-through entity, casino licensee, or race meeting licensee or track licensee to deposit the tax in a bank approved by the department in a separate account, in trust for the department or, if applicable, the community college, and payable to the department or the community college, and to keep the amount of the taxes in the account until payment over to the department or the community college.

(2) Every publicly traded partnership as that term is defined under section 7704 of the internal revenue code that has equity securities registered with the securities and exchange commission under section 12 of title I of the securities and exchange act of 1934, 15 USC 78l, shall file on or before each August 31 all unitholder information from the publicly traded partnership's schedule K-1 for the immediately preceding calendar year by paper or electronic format on a form prescribed by the department.

(3) As used in this section:
(a) “Casino” means that term as defined in section 110.
(b) “Casino licensee” means a person licensed to operate a casino under the Michigan gaming control and revenue act, 1996 IL 1, MCL 432.201 to 432.226.
(c) “Race meeting licensee” and “track licensee” mean a person to whom a race meeting license or track license is issued pursuant to section 8 of the horse racing law of 1995, 1995 PA 279, MCL 431.308.

206.365 Furnishing statement of compensation paid and taxes withheld; filing statement and annual reconciliation return; return or report; furnishing withholding information to employer, entity, or licensee; definitions.

Sec. 365. (1) Every employer, flow-through entity, casino licensee, and race meeting licensee and track licensee required by this act to deduct and withhold taxes for a tax year on compensation, share of income available for distribution, winnings, or payoff on a winning ticket shall furnish to each employee, nonresident member, or person with winnings or a payoff on a winning ticket subject to withholding under this act on or before January 31 of the succeeding year a statement in duplicate of the total compensation, share of income available for distribution, winnings, or payoff on a winning ticket paid during the tax year and the amount deducted or withheld. However, if employment is terminated before the close of a calendar year by an employer who goes out of business or permanently ceases to be an employer in this state, or a flow-through entity, casino licensee, race meeting licensee, or track licensee goes out of business or permanently ceases to be a flow-through entity,
casino licensee, race meeting licensee, or track licensee before the close of a calendar year, then the statement required by this subsection shall be issued within 30 days after the last compensation, share of income available for distribution, winnings, or payoff of a winning ticket is paid. A duplicate of a statement made pursuant to this section and an annual reconciliation return, MI-W3, shall be filed with the department by February 28 of the succeeding year except that an employer, flow-through entity, casino licensee, and race meeting licensee and track licensee who goes out of business or permanently ceases to be an employer, flow-through entity, casino licensee, and race meeting licensee and track licensee shall file the statement and the annual reconciliation return within 30 days after going out of business or permanently ceasing to be an employer, flow-through entity, casino licensee, and race meeting licensee and track licensee.

(2) Every employer, flow-through entity, casino licensee, and race meeting licensee and track licensee required by this act to deduct or withhold taxes from compensation, share of income available for distribution, winnings, or payoff on a winning ticket shall make a return or report in form and content and at times as prescribed by the department. An employer or flow-through entity that has entered into an agreement with a community college pursuant to chapter 13 of the community college act of 1966, 1966 PA 331, MCL 389.161 to 389.166, and is required to deduct or withhold taxes from compensation and make payments to a community college pursuant to the agreement for a portion of those taxes withheld shall, for as long as the agreement remains in effect, delineate in the return or report required under this subsection between the amount deducted or withheld and that amount paid to a community college.

(3) Every employee, nonresident member, or person with winnings or a payoff on a winning ticket subject to withholding under this act shall furnish to his or her employer, flow-through entity, casino licensee, and race meeting licensee and track licensee information required for the employer, flow-through entity, casino licensee, and race meeting licensee and track licensee to make an accurate withholding. An employee, nonresident member, or person with winnings or a payoff on a winning ticket subject to withholding under this act shall file with his or her employer, flow-through entity, casino licensee, and race meeting licensee and track licensee revised information within 10 days after a decrease in the number of exemptions or a change in status from a nonresident to a resident. An employee shall file revised information with his or her employer within 10 days after the employee completes the residency requirements under section 31(11)(d), and when a change of status occurs from resident of a renaissance zone to nonresident of a renaissance zone. Within 10 days after an employer receives revised information from an employee who completes the residency requirements under section 31(11)(d), the employer shall forward a copy of that revised information to the department. The employee, nonresident member, or person with winnings or a payoff on a winning ticket subject to withholding under this act may file revised information when the number of exemptions increases or when a change in status occurs from that of a resident of this state to a nonresident of this state. Revised information shall not be given retroactive effect for withholding purposes. An employer, flow-through entity, casino licensee, and race meeting licensee and track licensee shall rely on this information for withholding purposes unless directed by the department to withhold on some other basis. If an employee, nonresident member, or person with winnings or a payoff on a winning ticket subject to withholding under this act fails or refuses to furnish information, the employer, flow-through entity, casino licensee, and race meeting licensee and track licensee shall withhold the full rate of tax from the employee’s total compensation, the nonresident member’s share of income available for distribution, or the winnings of a person with winnings or a payoff on a winning ticket subject to withholding under this act. As used in this subsection, “renaissance zone” means a renaissance zone designated pursuant to the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.
(4) As used in this section:

(a) “Casino” means that term as defined in section 110.

(b) “Casino licensee” means a person licensed to operate a casino under the Michigan gaming control and revenue act, 1996 IL 1, MCL 432.201 to 432.226.

(c) “Race meeting licensee” and “track licensee” mean a person to whom a race meeting license or track license is issued pursuant to section 8 of the horse racing law of 1995, 1995 PA 279, MCL 431.308.

206.366  New jobs training programs and corresponding withholding requirements; report based on information received from community college districts; information to be included in report.

Sec. 366. By July 1 of each year, based on the information received from each community college district pursuant to section 163 of the community college act of 1966, 1966 PA 331, MCL 389.163, the department shall submit to the governor, the clerk of the house of representatives, the secretary of the senate, the chairperson of each standing committee that has jurisdiction over economic development issues, the chairperson of each legislative budget subcommittee that has jurisdiction over economic development issues, and the president of the Michigan strategic fund an annual report concerning the operation and effectiveness of the new jobs training programs and the corresponding withholding requirements under this chapter. The report shall include all of the following:

(a) The number of community colleges participating in the new jobs training program and the names of those colleges.

(b) The number of employers that have entered into agreements with community colleges pursuant to the new jobs training program and the names of those employers organized by major industry group under the standard industrial classification code as compiled by the United States department of labor.

(c) The total amount of money from a new jobs credit from withholding each employer described in subdivision (b) has remitted to the community college district.

(d) The total amount of new jobs training revenue bonds each community college district has authorized, issued, or sold.

(e) The total amount of each community college district’s debt related to agreements at the end of the calendar year.

(f) The number of degrees or certificates awarded to program participants in the calendar year.

(g) The number of individuals who entered a program at each community college district in the calendar year; who completed the program in the calendar year; and who were enrolled in a program at the end of the calendar year.

(h) The number of individuals who completed a program and were hired by an employer described in subdivision (b) to fill new jobs.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 1342 of the 94th Legislature is enacted into law.

This act is ordered to take immediate effect.

Approved December 23, 2008.

Filed with Secretary of State December 23, 2008.

AN ACT to amend 1933 PA 167, entitled “An act to provide for the raising of additional public revenue by prescribing certain specific taxes, fees, and charges to be paid to the state for the privilege of engaging in certain business activities; to provide, incident to the enforcement thereof, for the issuance of licenses to engage in such occupations; to provide for the ascertainment, assessment and collection thereof; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this act,” by amending section 25 (MCL 205.75), as amended by 2007 PA 69.

The People of the State of Michigan enact:

205.75 Disposition of money received and collected.

Sec. 25. (1) All money received and collected under this act shall be deposited by the department in the state treasury to the credit of the general fund, except as otherwise provided in this section.

(2) Fifteen percent of the collections of the tax imposed at a rate of 4% shall be distributed to cities, villages, and townships pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921.

(3) Sixty percent of the collections of the tax imposed at a rate of 4% shall be deposited in the state school aid fund established in section 11 of article IX of the state constitution of 1963 and distributed as provided by law. In addition, all of the collections of the tax imposed at the additional rate of 2% approved by the electors March 15, 1994 shall be deposited in the state school aid fund.

(4) For the fiscal year ending September 30, 1988 and each fiscal year ending after September 30, 1988, of the 25% of the collections of the general sales tax imposed at a rate of 4% directly or indirectly on fuels sold to propel motor vehicles upon highways, on the sale of motor vehicles, and on the sale of the parts and accessories of motor vehicles by new and used car businesses, used car businesses, accessory dealer businesses, and gasoline station businesses as classified by the department of treasury remaining after the allocations and distributions are made pursuant to subsections (2) and (3), the following amounts shall be deposited each year into the respective funds:

(a) For the fiscal year ending September 30, 2003 and for the fiscal year ending September 30, 2006 and each fiscal year ending after September 30, 2006, not less than 27.9% to the comprehensive transportation fund. For the fiscal year ending September 30, 2004 through the fiscal year ending September 30, 2005, not less than 24% to the comprehensive transportation fund. For the fiscal year ending September 30, 2006 only, the amount deposited to the comprehensive transportation fund under this subdivision shall be reduced by $11,100,000.00. For the fiscal year ending September 30, 2007 only, the amount deposited to the comprehensive transportation fund under this subdivision shall be reduced by $10,270,000.00. For the fiscal year ending September 30, 2008 only, the amount deposited to the comprehensive transportation fund under this subdivision shall be reduced by $5,000,000.00 and shall be deposited in the state treasury to the credit of the general fund.

(b) The balance to the state general fund.

(5) After the allocations and distributions are made pursuant to subsections (2) and (3), an amount equal to the collections of the tax imposed at a rate of 4% under this act from the sale at retail of computer software as defined in section 1a shall be deposited in the Michigan health initiative fund created in section 5911 of the public health code, 1978 PA 368,
MCL 333.5911, and shall be considered in addition to, and is not intended as a replacement for any other money appropriated to the department of community health. The funds deposited in the Michigan health initiative fund on an annual basis shall not be less than $9,000,000.00 or more than $12,000,000.00.

(6) The balance in the state general fund shall be disbursed only on an appropriation or appropriations by the legislature.

This act is ordered to take immediate effect.
Approved December 23, 2008.
Filed with Secretary of State December 23, 2008.

[No. 362]
(SB 1403)

AN ACT to authorize the department of management and budget to convey certain state owned property in Wayne county; to prescribe conditions for the conveyance; to provide for certain powers and duties of the department of management and budget in implementing the conveyance; to provide for disposition of revenue derived from the conveyance; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

Conveyance of property from department of management and budget to Wayne state university; description.

Sec. 1. The department of management and budget, on behalf of the state, may convey to Wayne state university, for consideration of $1.00, certain real property now under the jurisdiction of the department of corrections and located in Wayne county, Michigan, and more particularly described as:

That part of Lots 17 and 18, of Walker’s Subdivision, of Park Lots 49, 50, 51 and 52, in the City of Detroit, Wayne County, Michigan, as recorded in Liber 1, Page 282, of Plats, Wayne County Records, described as: Beginning at the intersection of the Northerly line of Lot 18 and the Westerly line of Woodward Avenue (120 feet wide); thence Southerly along the Westerly line of Woodward Avenue, 120.00 feet to a point; thence Westerly parallel to the Southerly line of said Lot 18, 170.18 feet to a point; thence Northerly parallel to the Westerly line of Woodward Avenue, 20.00 feet, to a point of the Southerly line of said Lot 18; thence Westerly along the Southerly line of said Lot 18, 116.35 feet to a point; thence Northerly parallel to Westerly line of Woodward Avenue, 35 feet to a point; thence Easterly parallel to Southerly line of said Lot 18, 3.35 feet to a point; thence North 62 degrees 10 minutes 12 seconds East, a distance of 275.18 feet; thence North 29 degrees 54 minutes 40 seconds West, a distance of 10 feet; thence North 62 degrees 10 minutes 12 seconds East, a distance of 275.36 feet to the Point of Beginning.

Also, all that part of Lot 19, of Walker’s Subdivision of Park Lots 49, 50, 51 and 52, City of Detroit, Wayne County, Michigan, as recorded in Liber 1, Page 282, of Plats, Wayne County Records, described as: Beginning at a point on the Southerly line of said Lot 19, which is South 60 degrees 05 minutes 20 seconds West, a distance of 10.00 feet from the intersection of said Southerly line of Lot 19 with the Westerly right of way line of Woodward Avenue (120 feet wide); thence continuing South 60 degrees 05 minutes 20 seconds West, a distance of 275.18 feet; thence North 29 degrees 54 minutes 40 seconds West, a distance of 10 feet; thence North 62 degrees 10 minutes 12 seconds East, a distance of 275.36 feet to the Point of Beginning.
Adjustment; surplus, salvage, and scrap property or equipment.
Sec. 2. (1) The description of the parcel in section 1 is approximate and for purposes of the conveyance is subject to adjustment as the state administrative board or the attorney general considers necessary by survey or other legal description.

(2) The property described in section 1 includes all surplus, salvage, and scrap property or equipment.

Provisions.
Sec. 3. The conveyance authorized by section 1 shall provide for all of the following:

(a) The property shall be used exclusively for public purposes and if any fee, term, or condition for the use of the property is imposed on members of the public, or if any of those fees, terms, or conditions are waived for use of this property, resident and nonresident members of the public shall be subject to the same fees, terms, conditions, and waivers.

(b) In the event of activity inconsistent with subdivision (a), the state may reenter and repossess the property, terminating the grantee’s estate in the property.

(c) If the grantee disputes the state’s exercise of its right of reentry and fails to promptly deliver possession of the property to the state, the attorney general, on behalf of the state, may bring an action to quiet title to, and regain possession of, the property.

(d) If the state reenters and repossesses the property, the state shall not be liable to reimburse any party for any improvements made on the property.

Steps to convey property; conveyance to local unit of government; provisions.
Sec. 4. (1) If the property described in section 1 is not sold to Wayne state university within 6 months after the effective date of this act, the director of the department of management and budget shall take the necessary steps to prepare to convey the property described in section 1 using any of the following at any time:

(a) Competitive bidding designed to realize the best value to the state, as determined by the department of management and budget.

(b) A public auction designed to realize the best value to the state, as determined by the department of management and budget.

(c) Use of real estate brokerage services designed to realize the best value to the state, as determined by the department of management and budget.

(d) A value for value conveyance negotiated by the department of management and budget designed to realize the best value to the state. In determining whether value for value consideration for the property represents the best value, the department may consider the fair market value or the total value based on any positive economic impact to the state likely to be generated by the proposed use of the property, especially economic impact resulting in the creation of jobs or increased capital investment in the state.

(e) Offering the property for sale for fair market value to a local unit or units of government.

(f) Offering the property for sale for less than fair market value to a local unit or units of government subject to subsection (2).

(2) Any conveyance to a local unit of government authorized by subsection (1)(f) shall provide for all of the following:

(a) The property shall be used exclusively for public purposes and if any fee, term, or condition for the use of the property is imposed on members of the public, or if any of those fees, terms, or conditions are waived for use of this property, all members of the public shall be subject to the same fees, terms, conditions, and waivers.
(b) In the event of an activity inconsistent with subdivision (a), the state may reenter and repossess the property, terminating the grantee’s or successor’s estate in the property.

(c) If the grantee or successor disputes the state’s exercise of its right of reentry and fails to promptly deliver possession of the property to the state, the attorney general, on behalf of the state, may bring an action to quiet title to, and regain possession of, the property.

(d) If the state reenters and repossesses the property, the state shall not be liable to reimburse any party for any improvements made on the property.

(e) If the local unit of government intends to convey the property within 3 years of the conveyance from the state, the local unit shall provide notice to the department of management and budget of its intent to offer the property for sale. The department of management and budget shall retain a right to first purchase the property at the original sale price within 90 days after the notice. In the event that the state waives its first refusal right, the local unit of government shall pay to the state 40% of the difference between the sale price of the conveyance from the state and the sale price of the local unit’s subsequent sale or sales to a third party.

**Quitclaim deed; oil, gas, or mineral rights; aboriginal antiquities.**

Sec. 5. (1) The conveyance authorized by this act shall be by quitclaim deed designed or otherwise approved as to legal form by the attorney general. The state shall not reserve oil, gas, or mineral rights to the property conveyed under this act. However, the conveyance authorized under this act shall provide that if the purchaser or any grantee develops any oil, gas, or minerals found on, within, or under the conveyed property, the purchaser or any grantee shall pay the state 1/2 of the gross revenue generated from the development of the oil, gas, or minerals. This payment shall be deposited in the general fund.

(2) The state reserves all aboriginal antiquities including mounds, earthworks, forts, burial and village sites, mines, or other relics lying on, within, or under the property with power to the state and all others acting under its authority to enter the property for any purpose related to exploring, excavating, and taking away the aboriginal antiquities.

**Receipt and deposit of net revenue; definition.**

Sec. 6. The net revenue received from the sale of property under this act shall be deposited in the state treasury and credited to the general fund. As used in this section, “net revenue” means the proceeds from the sale of the property less reimbursement for any costs to the state associated with the sale of property, including, but not limited to, costs of reports and studies and other materials necessary to the preparation of sale, environmental remediation, legal fees, and any litigation related to the conveyance of the property.

**Repeal of section 1 of 2000 PA 407.**

Enacting section 1. Section 1 of 2000 PA 407 is repealed.

This act is ordered to take immediate effect.

Approved December 23, 2008.

Filed with Secretary of State December 23, 2008.
for certain powers and duties of certain state departments in regard to the property; and to provide for disposition of revenue derived from the conveyances.

The People of the State of Michigan enact:

**Conveyance of property located in various state counties; locations.**

Sec. 1. The state administrative board, on behalf of the state, may convey by quitclaim deed for not less than fair market value or a fair exchange of value for value, all or portions of certain parcels of state owned property now under the jurisdiction of the department of state police, located in various counties in this state, and more particularly described as follows:

**Parcel 1: Bergland Township, Ontonagon County**

A parcel of land in the NE 1/4 of the NE 1/4 of Section 16, T49N – R42W, Bergland Township, Ontonagon County, Michigan, more particularly described as beginning at the NE corner of said section 16: thence S01°55'24"W 472.11 feet; thence N88°10'04"W 758.67 feet; thence S01°52'44"W 836.43 feet to the south line of the NE 1/4 of the NE 1/4 of said section 16; thence N88°03'35"W 560.87 feet on said south line to the west line of the NE 1/4 of the NE 1/4 of said section 16; thence N01°52'44"E 1307.48 feet on said west line to the north line of said section 16; thence S88°10'04"E 1319.90 feet on said north line to the point of beginning. Containing 25.07 acres subject to the rights of the public in Old M-64 Highway (66' wide) and easements, restrictions and rights of way of record.

**Parcel 2: Berlin Township, Ionia County**

A portion of land located in Berlin Township, Ionia County, Michigan, described as:

Beginning at a point on the east and west quarter line of section 36, town 7 north, range 7 west, Berlin Township, Ionia County, Michigan, said point being north 88 degrees 33 minutes west 1325.5 feet from the east quarter post of said section 36; thence north 88 degrees 33 minutes west 125 feet; thence north 01 degrees 40 minutes east 158 feet; thence south 88 degrees 33 minutes east 125 feet; thence south 01 degree 40 minutes west 158 feet to the point of beginning, containing 0.453 acres in the southeast corner of the southwest 1/4 of the northeast 1/4 of Section 36.

**Parcel 3: Boon Township, Wexford County**

Parcel “A”

A parcel of land in the NW 1/4 of section 35, T22N, R11W, Boon Township, Wexford County, Michigan and more particularly described as commencing at the N 1/4 corner of said section 35; thence N89°11'06"W 430.00 feet, on the north line of said section 35; thence S00°30'30"W 1290.00 feet; thence S89°11'06"E 430.00 feet, to the N-S 1/4 line of said section 35; thence N00°30'30"E 1290.00 feet, on said N-S 1/4 line to the point of beginning, containing 12.73 acres.

Parcel “B”

A parcel of land in the NW 1/4 of section 35, T22N, R11W, Boon Township, Wexford County, Michigan and more particularly described as commencing at the N 1/4 corner of said section 35; thence N89°11'06"W 430.00 feet, on the north line of said section 35 to the point of beginning; thence S00°30'30"W 1290.00 feet; thence S89°11'06"E 430.00 feet, to the N-S 1/4 line of said section 35; thence S00°30'30"W 1345.04 feet, on said N-S 1/4 line to the center of said section 35; thence S00°30'30"W 1345.04 feet, on said N-S 1/4 line to the center of said section 35; thence N89°14'26"W 1316.12 feet, on the E-W 1/4 line of said section 35 to the west line of the E 1/2 of the NW 1/4 of said section 35; thence N00°34'57"E
Parcel “C”

A parcel of land in the NW 1/4 of section 35, T22N, R11W, Boon Township, Wexford County, Michigan and more particularly described as commencing at the N 1/4 corner of said section 35; thence N89°11'06"E 912.71 feet, on the north line of said section 35 to the point of beginning; thence N89°11'06"E 400.00 feet, on the north line of said section 35 to the west line of the N 1/2 of said section 35; thence S00°34'57"W 400.00 feet, on said west line; thence S89°11'06"E 1200.00 feet, to the point of beginning, containing 11.02 acres.

Parcel 4: Hawes Township, Alcona County

A parcel of land lying in the Northeast one-quarter (NE 1/4) of Section 13, Town 27 North, Range 7 East, Hawes Township, Alcona County, Michigan. Being more particularly described as follows:

Commencing at the Northeast Corner of said Section 13, T27N-R7E; thence S01°-08'-36"E along the East line of said Section, a distance of 200.00 feet to the Point of Beginning. Thence S01°-08'-36"E continuing along said East section line, a distance of 1,108.45 feet to a point on the South line of the N 1/2 of said Section 13; thence S89°-53'-27"W along said South line of the N 1/2 of said Section, a distance of 2,684.87 feet to a point on the N-S one-quarter line of said Section; thence N01°-06'-21"W along said N-S one-quarter line, a distance of 467.02 feet; thence S89°-55'-25"E, a distance of 1,275.00 feet; thence N01°-06'-21"W, a distance of 650.00 feet; thence S89°-55'-25"E, a distance of 1,409.67 feet to a point on the East line of said Section 13, said point being the Point of Beginning.

The above described parcel contains 49.55 acres more or less and is subject to any rights, restrictions, easements, and prior conveyances of record.

Parcel 5: Ironwood Township, Gogebic County

Part of the NW 1/4 of the ne 1/4 of section 12, t.48n., r.48w., Ironwood township, Gogebic County, Michigan, being more particularly described as follows: beginning at a point on the south line of county road 505 (233 foot wide half-r.o.w.) located s87°42'01"e 516.27 feet along the north line of said section 12 and s02°24'04"w 233.00 feet from the north 1/4 corner of said section; thence continuing s02°24'04"w 650.00 feet; thence s87°42'01"e 750.00 feet; thence N02°24'04"e 650.00 feet to a point on the south line of said county road 505; thence n87°42'01"w 750.00 feet along said south line to the point of beginning. Containing 11.19 acres And is subject to the rights of the public in said county road 505, and easements, restrictions, and rights-of-way of record.

Parcel 6: Kasson Township, Leelanau County

Part of the Northwest 1/4 of Section 11, T.28N., R.13W., Kasson Township, Leelanau County, Michigan described as beginning at a point located distant S01°36'39"W 1319.27 feet along the north-south 1/4 line of said Section 11 from the North 1/4 corner thereof; thence continuing S01°36'39"W 659.12 feet; thence N85°19'51"W 655.80 feet; thence N56°14'09"W 778.64 feet to a point on the west line of the SE 1/4 of the NW 1/4 of said Section per Batzer survey recorded in Liber 3, Page 191; thence N01°32'44"E 286.30 feet along said line; thence S85°03'22"E 1316.64 feet along the north line of the SE 1/4 of the NW 1/4 of said Section 11 to the Point of Beginning. Parcel contains 17.11 acres and is subject to easements, restrictions, and right of way of record.
Parcel 7: Keene Township, Ionia County
Parcel located in the Northwest one-quarter (NW 1/4) of Section 11, T7N, R8W, Keene Township, Ionia County, Michigan. Beginning at a point located S00°-19'-50"W along the West line Section 11, 622.48 feet from the Northwest Corner of said Section; thence continuing along said line S00°-19'-50"W, 800.00 feet; thence S89°-23'-12"E, 1,312.44 feet to the East line of the West one-half (W 1/2) of the NW 1/4; thence N00°-24'-30"E along said line, 800.00 feet; thence N89°-23'-12"W, 1,313.53 feet to the Point of Beginning.
The above described parcel contains 24.11 acres more or less and is subject to any rights, restrictions, easements, and prior conveyances of record.

Parcel 8: Leelanau Township, Leelanau County
Part of S.E. 1/4 of Section 20, T.31N., R.11W., Leelanau Township, Leelanau County, Michigan, described as beginning at a point located N00°35'01"E 2048.63 feet along the North-South 1/4 line of said Section and S88°01'32"E 217.4 feet from the South 1/4 corner of said Section 20; thence continuing S88°01'32"E 150.00 feet; thence S01°58'28"W 150.00 feet; thence N88°01'32"W 150.00 feet; thence N01°58'28"E 150.00 feet to the point of beginning.
Containing 0.52 acres

Parcel 9: Leonidas Township, St. Joseph County
A parcel of land in the Southwest one-quarter (SW 1/4) of Section 23, T5S, R9W, Leonidas Township, St. Joseph County, Michigan, and more particularly described as commencing at the West one-quarter (W 1/4) of said Section 23; thence S00°-32'-52"W, 1,208.91 feet, along the West line of said Section 23 to the Point of Beginning of this description; thence S89°-28'-12"E, 834.77 feet; thence N00°-32'-52"E, 780.00 feet; thence S89°-28'-12"E, 1,300.00 feet; thence S00°-32'-52"W, 900.00 feet; thence N89°-28'-12"W, 2,134.77 feet to said West line of said Section; thence N00°-32'-52"E, along said West line 120.00 feet to the Point of Beginning.
The above described parcel contains 29.16 acres more or less and is subject to any rights, restrictions, easements, and prior conveyances of record.

Parcel 10: City of Manistee, Manistee County
That part of Lot H, S. C. Thompson's addition to the City of Manistee lying West and South of the following described line: Commencing at the Southwest corner of Lot I, running thence South 78 1/2 degrees West 70 feet, thence North 49 degrees West 100 feet, thence North 54 1/4 degrees West 188 feet, thence North 54 3/4 degrees West 165 feet more or less to right-of-way of Pere Marquette Railway Company.

Parcel 11: City of Mt. Pleasant, Isabella County
Beginning 33 feet north and 33 east of the southwest corner of the east 1/2 of section 9, thence east 250 feet; thence north 250 feet; thence west 250 feet thence south 250 feet to the place of beginning, all being situated in section 9, town 14 north, range 4 west, city of Mt. Pleasant, county of Isabella, State of Michigan.

Parcel 12: City of Munising, Alger County
Subject property is situated in the City of Munising, Alger County, Michigan and is described as follows:
That portion of the South half (S 1/2) of the Southeast Quarter (SE 1/4) of the Northwest 1/4 (NW 1/4) in Section Three (3), Town 46 North, Range 19 West, described as follows:
Beginning at the Southeast (SE) corner of said description; thence going West 300 feet; thence going North 140 feet; thence going East 300 feet of said description, thence going South 140 feet to a point of beginning.
Parcel 13: Ossineke Township, Alpena County
Part of the Southeast one-quarter (SE 1/4) of Section 13, T29N–R5E, Ossineke Township, Alpena County, Michigan, more particularly described as follows:
Commencing at the Southeast corner of Section 13, T29N–R5E; thence S89°35'42"W along the South line of said Section 13, a distance of 177.51 feet; thence N00°24'18"W, a distance of 33.00 feet to a point on the Northerly right-of-way line of Andor Road (66' R.O.W.); said point being the POINT OF BEGINNING.
Thence N33°08'26"E, a distance of 184.99 feet to a point on the Westerly right of way of M-65 (150' R.O.W.); thence N00°29'32"W along said Westerly right of way of M-65, a distance of 793.48 feet; thence S00°29'32"E, a distance of 545.26 feet to a point on the Northerly right of way of Andor Road (66' R.O.W.); thence N89°35'42"E along said North right of way, a distance of 691.02 feet to the point being the POINT OF BEGINNING.
The above described parcel of land contains 9.75 acres more or less and is subject to any and all easements, restrictions, and prior conveyances of record.

Parcel 14: Richmond Township, Osceola County
A part of the North Half (N 1/2) of the Northwest Quarter (NW 1/4) of Section 10, T17N, R10W described as follows, to-wit:
Beginning at the Section Corner of Sections three (3), Four (4), Nine (9) and Ten (10), Richmond Township, Osceola County, Michigan,
Thence East 879; thence South 250 feet; thence East 250 feet; thence North 250 feet; thence West 250 feet to place of beginning.

Parcel 15: Rock River Township, Alger County
A parcel of land in the NE 1/4 of the SW 1/4 of Section 29, T46N – R22W, Rock River Township, Alger County, Michigan being more particularly described as commencing at the S 1/4 corner of said Section 29; thence N00°08'12"E 1324.31 feet along the north-south 1/4 line of said section to the point of beginning; thence continuing N00°08'12"E 500.00 feet along said north-south 1/4 line; thence N89°54'43"W 741.98 feet; thence N00°03'50"E 823.84 feet to the E-W 1/4 line of said Section 29; thence N89°56'50"W 575.00 feet along said E-W 1/4 line to the west line of the NE 1/4 of the SW 1/4 of said Section 29; thence S00°03'50"W 1323.48 feet on said west line to the south line of the NE 1/4 of the SW 1/4 of said Section 29; thence S89°54'42"E 1321.35 feet along said South line to the point of beginning. Containing 26.14 acres and is subject to the rights of the public in North Sundell Road and Carlson Road, and any easements, restrictions, and rights-of-way of record.

Parcel 16: Courtland Township, Kent County
That part of the N.W. 1/4 of the N.W. 1/4 of section 31, township 9 north, range 10 west, Courtland Township, Kent County, Michigan being more particularly described as commencing at the west 1/4 corner of said section 31, thence north 1 degree 35 minutes east 1327.7 feet; thence south 88 degrees 30 minutes east 732.6 feet; thence north 1 degree 30 minutes east 33 feet to the point of beginning of this description; thence north 37 degrees 43 minutes east 314.7 feet; thence south 24 degrees 59 minutes east 268.5 feet; thence southwesterly 110 feet on a curve to the right whose radius is 487.9 feet and whose cord is south 84 degrees 88 minutes 30 seconds west 109.85 feet; thence north 88 degrees 30 minutes west 196.4 feet to the point of beginning. Being in all, 0.89 acres more or less.

Parcel 17: Watersmeet Township, Gogebic County
Part of the SE 1/4 of the NE 1/4 of Section 9, T45N – R39W, Watersmeet Township, Gogebic County, Michigan more particularly described as beginning at the E 1/4 corner of
said section 9; thence N88°32'28"W 250.00 feet on the E-W 1/4 line of said section; thence N01°28'23"E 419.12 feet; thence N88°37'50"W 250.00 feet to the north line of the SE 1/4 of the NE 1/4 of section 9; thence S88°37'50"E 500.00 feet on said north line to the east line of said section; thence S01°28'23"E 23319.51 feet to the point of beginning. Containing 12.73 acres and subject to the rights of the public in Sucker Lake Road (66' wide) and easement, restrictions and rights of way of record.

**Descriptions.**

Sec. 2. The descriptions of the parcels of property in section 1 are approximate and for purposes of the conveyances are subject to adjustments as the state administrative board or the attorney general considers necessary by survey or other legal description.

**Surplus, salvage, and scrap property or equipment.**

Sec. 3. The parcels of property described in section 1 include all surplus, salvage, and scrap property or equipment.

**Appraisal.**

Sec. 4. The fair market value of each parcel of property described in section 1 shall be determined by an appraisal prepared for the department of management and budget by an independent appraiser.

**Steps for conveyance of property.**

Sec. 5. The department of management and budget shall take the necessary steps to prepare to convey the parcels of property described in section 1 using any of the following at any time:

(a) Competitive bidding designed to realize the best value to the state, as determined by the department of management and budget.

(b) A public auction designed to realize the best value to the state, as determined by the department of management and budget.

(c) Use of real estate brokerage services designed to realize the best value to the state, as determined by the department of management and budget.

(d) A negotiated sale conducted by the department of management and budget, designed to realize the best value to the state.

(e) A value for value conveyance negotiated by the department of management and budget designed to realize the best value to the state. In determining whether value for value consideration for the property represents the best value, the department may consider the fair market value or the total value based on any positive economic impact to the state likely to be generated by the proposed use of the property, especially economic impact resulting in the creation of jobs or increased capital investment in the state.

(f) Offering the property for sale for fair market value to a local unit or units of government.

(g) Offering the property for sale for less than fair market value to a local unit or units of government subject to section 7.

**Quitclaim deed.**

Sec. 6. The attorney general shall approve as to legal form the quitclaim deed authorized by this act.

**Conveyance to local unit of government; provisions.**

Sec. 7. A conveyance to a local unit of government authorized by section 5(g) shall provide for all of the following:

(a) The property shall be used exclusively for public purposes and if any fee, term, or condition for the use of the property is imposed on members of the public, or if any of those
fees, terms, or conditions are waived for use of this property, all members of the public shall be subject to the same fees, terms, conditions, and waivers.

(b) In the event of an activity inconsistent with subdivision (a), the state may reenter and repossess the property, terminating the grantee’s or successor’s estate in the property.

(c) If the grantee or successor disputes the state’s exercise of its right of reentry and fails to promptly deliver possession of the property to the state, the attorney general, on behalf of the state, may bring an action to quiet title to, and regain possession of, the property.

(d) If the state reenters and repossesses the property, the state shall not be liable to reimburse any party for any improvements made on the property.

(e) The local unit of government shall reimburse the state for requested costs necessary to prepare the property for conveyance.

(f) If the local unit of government intends to convey the property within 3 years after the conveyance from the state, the local unit shall provide notice to the department of management and budget of its intent to offer the property for sale. The department of management and budget shall retain a right to first purchase the property at the original sale price within 90 days after the notice. If the state waives its first refusal right, the local unit of government shall pay to the state 40% of the difference between the sale price of the conveyance from the state and the sale price of the local unit’s subsequent sale to a third party.

Oil, gas, or mineral rights.

Sec. 8. The state shall not reserve oil, gas, or mineral rights to the property conveyed under this act. However, the conveyance authorized under this act shall provide that, if the purchaser or any grantee develops any oil, gas, or minerals found on, within, or under the conveyed property, the purchaser or any grantee shall pay the state 1/2 of the gross revenue generated from the development of the oil, gas, or minerals. This payment shall be deposited in the general fund.

Deposit of net revenue; definition.

Sec. 9. The net revenue received from the sale of property under this act shall be deposited in the state treasury and credited to the general fund. As used in this section, “net revenue” means the proceeds from the sale of the property less reimbursement for any costs to the state associated with the sale of property, including, but not limited to, administrative costs, including employee wages, salaries, and benefits; costs of reports and studies and other materials necessary to the preparation of sale; environmental remediation; legal fees; and any litigation related to the conveyance of the property.

This act is ordered to take immediate effect.
Approved December 23, 2008.
Filed with Secretary of State December 23, 2008.

[No. 364]

(SB 1485)

AN ACT to amend 1987 PA 231, entitled “An act to create a transportation economic development fund in the state treasury; to prescribe the uses of and distributions from this fund; to create the office of economic development and to prescribe its powers and duties; to prescribe the powers and duties of the state transportation department, state transportation commission, and certain other bodies; and to permit the issuance of certain bonds,” by amending section 11 (MCL 247.911), as amended by 2007 PA 168.
The People of the State of Michigan enact:

247.911 Bonds; categories and amounts in which projects to be funded; percentages on which funding based; obligation authority for federal funds; distribution.

Sec. 11. (1) Bonds may be issued as authorized by the commission for the purpose of funding projects under this act in the manner provided in sections 18b and 18k of 1951 PA 51, MCL 247.668b and 247.668k, and in accordance with the adopted policies of the commission. Bonds shall not be committed for any project under this act until the requirements set forth under section 3(1) have been satisfied.

(2) Projects shall be funded in the following categories in the following amounts:

(a) The first $5,000,000.00 of the fund shall be distributed each fiscal year to each qualified county in a percentage amount equal to the same percentage amount that the number of acres of commercial forest, national park, and national lakeshore land in each qualified county bears to the total number of acres of commercial forest, national park, and national lakeshore land in all qualified counties in this state. Revenue distributed under this subdivision shall be used for the construction or reconstruction of roads.

(b) The next $2,500,000.00 of the fund shall be distributed each fiscal year for improvements to roads and streets that are eligible for federal aid in cities and villages having a population of 5,000 or greater within rural counties.

(3) Of the balance remaining after funding projects pursuant to subsection (2), projects shall be funded in the categories described in section 9 based on the following percentages:

(a) Except as otherwise provided in this subdivision, 50% for economic development road projects in any of the targeted industries. For the period beginning October 1, 2007 and continuing through September 30, 2008, allocations made to targeted industries under this subdivision shall be reduced by $13,000,000.00.

(b) 25% for projects to reduce congestion on county primary and city major streets within urban counties including advanced traffic management systems. The funds shall be distributed to counties with populations in excess of 400,000 in accordance with the following formula:

<table>
<thead>
<tr>
<th>Population</th>
<th>Percentage of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,750,000 or more</td>
<td>16%</td>
</tr>
<tr>
<td>1,000,000 to 1,750,000</td>
<td>40%</td>
</tr>
<tr>
<td>600,000 to 1,000,000</td>
<td>20%</td>
</tr>
<tr>
<td>400,000 to 600,000</td>
<td>24%</td>
</tr>
</tbody>
</table>

When 2 or more counties occupy the same category, the funds shall be divided equally. Projects funded under this category shall be used for the widening of county primary roads or city major streets or for advanced traffic management systems in eligible counties.

(c) 25% for development projects within rural counties. These revenues shall be distributed for the improvement of rural primary roads in rural counties and major streets in cities and villages with a population of 5,000 or less. Funds distributed under this subdivision shall be allocated by the commission to the regional rural task force areas defined in section 12a in the same proportion that the rural primary mileage of the regional rural task force area bears to the total rural primary mileage of all counties. Each rural county shall be credited with an allocation in the proportion that the county's rural primary mileage is to the total rural primary mileage of those rural counties within the same regional rural task force area. Projects funded under this subdivision shall be limited to upgrading rural primary roads and major streets to create an all-season road network.
(4) The obligation authority for any federal funds allocated under section 10 of 1951 PA 51, MCL 247.660, shall be distributed equally among urban task forces and regional rural task forces according to the distribution formula outlined in subsection (3)(c) and (d). An additional 1.5% of the obligation authority for federal funds identified in section 10 of 1951 PA 51, MCL 247.660, shall be distributed among the regional rural task forces according to the distribution formula outlined in subsection (3)(d). These funds shall be obligated and used consistent with section 10 of 1951 PA 51, MCL 247.660.

This act is ordered to take immediate effect.

Approved December 23, 2008.

Filed with Secretary of State December 23, 2008.

[No. 365]

(SB 1498)

AN ACT to amend 1994 PA 451, entitled “An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts,” by amending section 81133 (MCL 324.81133), as amended by 2008 PA 240.

The People of the State of Michigan enact:

324.81133 Operation of ORV; prohibited acts.

Sec. 81133. A person shall not operate an ORV:

(a) At a rate of speed greater than is reasonable and proper, or in a careless manner having due regard for conditions then existing.

(b) Unless the person and any passenger in or on the vehicle is wearing on his or her head a crash helmet and protective eyewear approved by the United States department of transportation. This subdivision does not apply if the vehicle is equipped with a roof that meets or exceeds standards for a crash helmet and the operator and each passenger is wearing a properly adjusted and fastened safety belt.

(c) During the hours of 1/2 hour after sunset to 1/2 hour before sunrise without displaying a lighted headlight and lighted taillight. The requirements of this subdivision are in addition to any applicable requirements of section 81131(8).

(d) Unless equipped with a braking system that may be operated by hand or foot, capable of producing deceleration at 14 feet per second on level ground at a speed of 20 miles per hour; a brake light, brighter than the taillight, visible when the brake is activated to the rear of the vehicle when the vehicle is operated during the hours of 1/2 hour after sunset and 1/2 hour before sunrise; and a throttle so designed that when the pressure used to advance the throttle is removed, the engine speed will immediately and automatically return to idle.

(e) In a state game area or state park or recreation area, except on roads, trails, or areas designated for this purpose; on state owned lands under the control of the department other than game areas, state parks, or recreational areas where the operation would be in violation of rules promulgated by the department; in a forest nursery or planting area; on