

and state spending from state resources to be paid to local units of government for fiscal year 2002-2003 is \$1,176,250,300.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF TRANSPORTATION

Local grant program	\$	33,000,000
Economic development fund.....		23,444,000
Grants to cities and villages		333,396,100
Grants to county road commissions.....		597,971,700
Critical bridge fund		5,750,000
Grants to regional planning councils.....		488,800
Local bus operating.....		160,000,000
Bus capital.....		14,549,500
Marine passenger service.....		800,000
Detroit/Wayne County port authority.....		500,000
Local ride sharing operating grants.....		330,700
Planning grants		80,000
Municipal credit program.....		2,000,000
Specialized services		3,939,500
Total payments to local units of government.....	\$	<u>1,176,250,300</u>

Appropriations subject to §§ 18.1101 to 18.1594.

Sec. 202. The appropriations authorized under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Definitions.

Sec. 203. As used in this act:

- (a) "CTF" means comprehensive transportation fund.
- (b) "Department" means the department of transportation.
- (c) "DOT" means the United States department of transportation.
- (d) "DOT-FHWA" means DOT, federal highway administration.
- (e) "DOT-FRA" means DOT, federal railroad administration.
- (f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad administration, high-speed ground transportation.
- (g) "EDF" means economic development fund.
- (h) "FTE" means full-time equated.
- (i) "MTF" means Michigan transportation fund.
- (j) "RIF" means recreation improvement fund.
- (k) "SAF" means state aeronautics fund.
- (l) "STF" means state trunkline fund.

Billing by department of civil service.

Sec. 204. The department of civil service shall bill departments and agencies at the end of the first fiscal quarter for the 1% charge authorized by section 5 of article XI of the state constitution of 1963. Payments shall be made for the total amount of the billing by the end of the second fiscal quarter.

Hiring freeze; exceptions.

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

(2) The state budget director shall grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, causes loss of revenue to the state, would result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report by the thirtieth of each month to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous month and the reasons to justify the exception.

Contingency funds; availability for expenditure.

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$40,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,000,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,000,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Privatization; project plan.

Sec. 207. At least 90 days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 30 months. As used in this section, “privatize” or “privatization” means the transfer of state highway maintenance functions or activities currently performed by department forces, or by boards of county road commissioners, county boards of commissioners, or local units of government under contract with the department, to private contractors.

Reporting requirements; use of Internet.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may

include placement of reports on an Internet or Intranet site. Quarterly, the department shall provide to the senate and house appropriations subcommittees, the state budget office, and the senate and house fiscal agencies an electronic and paper copy listing of the reports submitted during the most recent 3-month period along with the Internet or Intranet site of each report, if any.

Purchase of foreign goods or services.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. The department shall give priority to the purchase of Michigan goods and services.

Businesses in deprived and depressed communities; contracts to provide services or supplies.

Sec. 210. The director of each department receiving appropriations in part 1 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Receipt and retention of reports.

Sec. 211. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Information technology; user fees.

Sec. 259. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. The user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Information technology; designation as work projects; availability for expenditure.

Sec. 260. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

DEPARTMENTAL SECTIONS

Permit fees; toll charge public hearing.

Sec. 301. (1) The department may establish a fee schedule and collect fees sufficient to cover the costs to issue the permits that the department is authorized by law to issue upon request, and for which fees are not otherwise stipulated by law. All permit fees are nonrefundable application fees and shall be credited to the state trunkline fund to recover the direct and indirect costs of receiving, reviewing, and processing the requests.

(2) A bridge authority shall hold 3 public hearings on a change in any toll charged by the authority at least 30 days before the toll change will become effective. Two of the hearings shall be held within 5 miles of the bridge over which the bridge authority has jurisdiction. One hearing shall be held in Lansing.

Report on money received from legislator's district.

Sec. 303. On request, the department shall provide to a legislator, in writing, a report on the amount of money to be received by each city and village and the county road commission of each county, that is included in whole or in part within the legislator's legislative district.

Bid documentation; disclosure.

Sec. 304. If, as a requirement of bidding on a highway project, the department requires a contractor to submit financial or proprietary documentation as to how the bid was calculated, that bid documentation shall be kept confidential and shall not be disclosed other than to a department representative without the contractor's written consent. The department may disclose the bid documentation if necessary to address or defend a claim by a contractor.

Public passenger transportation properties; tenants.

Sec. 305. The department may permit space on public passenger transportation properties to be occupied by public or private tenants on a competitive market rate basis. The department may require that revenue from the tenants be placed in an account to be used to pay the costs to maintain and improve the property.

Auditor general report.

Sec. 306. From the funds appropriated in part 1, the auditor general shall conduct an audit of charges to transportation funds by state departments. The auditor general shall prepare a detailed report, with recommendations and conclusions, including a list of services charged to transportation funds, the appropriateness of those charges, and the cost allocation methodologies used in determining the level of funding, and provide the report, upon request, to any member of the senate and house of representatives and to the senate and house fiscal agencies by March 1, 2003.

Highway construction projects; listing by county.

Sec. 307. Before February 1 of each year, the department will provide to the legislature, the state budget office, and the house and senate fiscal agencies its rolling 5-year plan listing by county or by county road commission all highway construction projects for the fiscal year and all expected projects for the ensuing fiscal years.

Compliance with contract specifications; acceptance and payment for work; report.

Sec. 308. The department and local road agencies that receive appropriations under this act shall pursue compliance with contract specifications for construction and maintenance of state highways and local roads and streets. Work shall not be accepted and paid for until it complies with contract requirements. Contractors with unsatisfactory performance ratings shall be restricted from future bidding through the prequalification process established by the department or a local road agency. The department, county road commissions, and cities and villages shall report to the house of representatives and senate appropriations subcommittees on transportation on their respective activities under this section.

Reduction of administrative costs; maximum funding.

Sec. 309. The department shall continue its efforts to reduce administrative costs and provide the maximum funding possible for construction projects.

Transportation commission meetings; agenda and approved minutes.

Sec. 310. The department shall provide in a timely manner copies of the agenda and approved minutes of monthly transportation commission meetings to the members of the house and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director.

Federal advance construction program; use of funds on behalf of local government.

Sec. 311. The department shall not use funds appropriated under part 1 on behalf of a local governmental unit to pay the amount required for that local governmental unit to participate in the federal advance construction program.

State trunkline fund; carrying forward unencumbered and unexpended balance.

Sec. 312. At the close of the fiscal year ending September 30, 2003, any unencumbered and unexpended balance in the state trunkline fund shall remain in the state trunkline fund and shall carry forward and is appropriated for federal aid road and bridge programs for projects contained in the annual state transportation program.

State infrastructure bank program.

Sec. 313. (1) From funds appropriated in part 1, the department may increase a state infrastructure bank program and grant or loan funds in accordance with regulations of the state infrastructure bank program of the United States department of transportation. The state infrastructure bank is to be administered by the department for the purpose of providing a revolving, self-sustaining resource for financing transportation infrastructure projects.

(2) In addition to funds provided in subsection (1), money received by the state as federal grants, repayment of state infrastructure bank loans, or other reimbursement or revenue received by the state as a result of projects funded by the program and interest earned on that money shall be deposited in the revolving state infrastructure bank fund and shall be available for transportation infrastructure projects. At the close of the fiscal year, any funds remaining in the state infrastructure bank fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Internal auditor; report.

Sec. 314. The department shall provide a report prepared by the department's internal auditor on the activities of the internal auditor for the prior fiscal year. This report shall include a listing of each audit or investigation performed by the internal auditor pursuant to sections 486(4) and 487 of the management and budget act, 1984 PA 431, MCL 18.1486 and 18.1487. The report shall identify the proportion of time spent on each of the statutory responsibilities listed in sections 485(4), 486(4), and 487 of the management and budget act, 1984 PA 431, MCL 18.1485, 18.1486, and 18.1487, and the time spent on all other activities performed in the internal audit function. The report shall be due biennially beginning on May 1, 2001 and shall be submitted to the governor, auditor general, the senate and house of representatives appropriations committees, the senate and house fiscal agencies, and the director.

State transportation commission; per diem payments.

Sec. 317. Funds appropriated in part 1 for state transportation commission per diem payments shall provide per diem payments of \$100.00 to each of the 6 appointed members of the state transportation commission for all scheduled state transportation commission meetings.

Women- and minority-owned businesses.

Sec. 318. The department shall continue its program to increase the use of women- and minority-owned businesses in state and local road construction projects. This program shall comprise, at a minimum, outreach and education efforts to inform women- and minority-owned firms of department competitive bidding processes and requirements, and an assessment of the availability of surety for women- and minority-owned businesses. The department shall report by March 31, 2003 to the house of representatives and senate appropriations subcommittees on transportation and the house and senate fiscal agencies of its progress in complying with this section.

Rest area; signs.

Sec. 319. The department shall post signs at each rest area to identify the agency or contractor responsible for maintenance of the rest area. The signs shall include a department telephone number and shall indicate that unsafe or unclean conditions at the rest area may be reported to that telephone number.

Bridge inspector; filling vacant positions.

Sec. 322. Not later than January 1, 2003, the department shall fill all vacant bridge inspector positions. Not later than February 15, 2003, the department shall report to the senate and house of representatives appropriations subcommittees on transportation the number of full-time and part-time positions assigned to bridge inspection activities, the number of vacancies, and any plans to fill the vacancies.

Construction zone traffic enforcement.

Sec. 324. From the funds appropriated in part 1, up to \$700,000.00 from the state trunkline fund shall be used for enhanced construction zone traffic law enforcement. The funding shall be used to reimburse law enforcement agencies for costs associated with construction zone traffic enforcement. The funding shall be provided based on approved memoranda of understanding between the department and participating law enforcement agencies.

Federal bridge funding under critical bridge program; notice to communities and agencies.

Sec. 328. The department shall issue a preliminary list of those bridges that are scheduled to receive federal bridge funds under the critical bridge program and shall notify those local communities and road agencies by December 31, 2002. The department shall issue a final list of those bridges that are scheduled to receive federal bridge funds under the critical bridge program and shall notify those local communities and road agencies scheduled to receive federal bridge funding under the critical bridge program no later than February 3, 2003.

Use of power sources; grants.

Sec. 334. The department shall pursue grants from federal or other sources to study the use of power sources other than gasoline or diesel fuel for the propulsion of motor vehicles.

Summer youth programs.

Sec. 335. The department shall work in collaboration with the family independence agency regarding the summer youth programs. The programs shall seek to employ inner city youth in street and highway beautification projects.

Noise abatement.

Sec. 349. The department shall develop a plan to implement the policy of the state transportation commission on noise abatement. The department shall report on its efforts to implement the commission's policy to the house and senate appropriations subcommittees on transportation and to the house and senate fiscal agencies on or before October 1, 2002.

Disadvantaged business enterprises; meeting.

Sec. 350. (1) The established overall disadvantaged business enterprise goal shall identify the relative availability of disadvantaged business enterprises based on evidence of ready, willing, and able disadvantaged business enterprises relative to all firms within the department's marketplace. The overall annual goal shall reflect the department's determination of the level of disadvantaged business enterprise participation which could be expected absent the effects of discrimination. The department's methodology to develop the overall disadvantaged business enterprise goal will be announced in electronic and print media to ensure broad public participation in the goal-setting process in accordance with 49 C.F.R. 26.45.

(2) The department shall work to coordinate a meeting prior to the annual construction season between the road construction industry and the Michigan minority business development council.

Sec. 351. From the funds appropriated in part 1, up to \$1,500,000.00 shall be made available for additional lane closure incentives on the M-6/US-131 project for calendar year 2003. Funding may be provided from any excess funds available under the M-6 project.

All-season county road network; report.

Sec. 352. (1) Each county road commission, or in the case of a charter county with a population of 2,000,000 or more with an elected county executive that does not have a board of county road commissioners, the county executive, shall prepare, and present to the department, a map illustrating the all-season county road network under its jurisdiction. The county road commissions shall record this information on an official county highway map provided to them by the department. The department shall provide each county road commission with 3 official copies of their county road highway map on or before October 1, 2003.

(2) After compiling this information for all Michigan counties, the department shall prepare a report on the current all-season road network within the state. This report shall illustrate the current all-season road network under state and county control, identify contiguity gaps in this network, and suggest ways to improve connectivity on the current all-season network. This report shall be presented to the house and senate appropriations subcommittees on transportation, the house and senate transportation policy committees, and the house and senate fiscal agencies on or before October 1, 2004.

Contractor payment process; review.

Sec. 353. The department shall review its contractor payment process and use its best efforts to ensure that all prime contractors are paid promptly. The department shall work to ensure that prime contractors are in compliance with special provision 109.10 regarding the prompt payment of subcontractors.

Sec. 355. The department in consultation with the department of environmental quality shall design and build at least 1 demonstration road preservation project using an asphalt pavement design mixture including recycled or scrap tires. For purposes of the demonstration, 1 of these projects may be constructed on a local road requiring repaving. The department shall report to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies by March 1, 2003 on its findings.

Local federal and project review.

Sec. 357. Where possible, the department shall complete all necessary reviews and inspections required to let local federal aid projects within 120 days of the department's receipt of local federal aid project submittals. The department shall implement a system for monitoring the local federal aid project review process.

FEDERAL**Distribution of funds; recommendations.**

Sec. 401. When the department receives authorization from the federal government to commit transportation funds pursuant to federal appropriations, it shall present to the senate and house of representatives appropriations transportation subcommittees and the senate and house fiscal agencies, the federal amounts and categories authorized and the department's recommendation for distribution of these funds. If a recommendation or recommendations are not disapproved within 30 business days by either the senate or house of representatives appropriations transportation subcommittee, then the recommendation or recommendations shall be considered as approved. If either the senate or house of representatives appropriations transportation subcommittee disapproves the proposed distribution, then the senate and house of representatives appropriations transportation subcommittees and the department shall hold a joint meeting on the issue to arrive at a final distribution. If no agreement is reached between the parties, the department's distribution shall stand.

Allocation of federal funds to local jurisdictions.

Sec. 402. (1) Twenty-three to twenty-seven percent of the DOT-FHWA, highway research, planning, and construction federal funds appropriated in part 1 shall be allocated to programs administered by local jurisdictions after deduction of the following:

(a) Funds that are specifically allocated at the federal level to the state or local jurisdictions.

(b) Funds allocated by the department to the state and to local jurisdictions through a competitive process.

Compiler's note: The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoed."

(2) Federal aid excluded from the calculation of funding allocated to programs administered by local jurisdictions in subsection (1) includes, but is not limited to, congestion mitigation and air quality funds, federal bridge funds, transportation enhancement funds, funds distributed at the discretion of the United States secretary of transportation, and congressionally designated funds.

(3) The funds shall be distributed to eligible local agencies for transportation purposes in a manner consistent with state and federal law.

(4) Federal aid to highways allocated to local jurisdictions in subsection (1) shall be distributed in a manner that produces a 25% average allocation of applicable funds to programs for local jurisdictions in each fiscal year through the fiscal year ending September 30, 2005. The average allocation of applicable federal aid to highway funds to programs for local jurisdictions shall be the average of the amount distributed to local jurisdictions under subsection (1) and similarly calculated distributions in each succeeding fiscal year.

(5) The allocation percentage described in subsection (1) shall be adjusted to reflect any voluntary agreements made by the department with local jurisdictions regarding the transfer of federal aid eligible roadways or the state buyout of local federal aid.

(6) The department shall not borrow against the critical bridge fund for the first 9 months of the fiscal year.

(7) The federal funds appropriated in part 1 for local federal aid and road and bridge construction, to eligible local road agencies, may be transferred through a voluntary buyout agreement made between eligible local road agencies.

I-94 in Kalamazoo county; expenditure for engineering and design.

Sec. 404. It is the intent of the legislature that \$3,750,000.00 in federal high priority project funds designated in the transportation equity act for the 21st century, Public Law 105-178, 112 Stat. 107, to improve I-94 in Kalamazoo County be expended by the department for preliminary engineering and design work related to rehabilitation and capacity improvements to I-94 between US-131 and Sprinkle Road in Kalamazoo County.

Sec. 405. Of the funds appropriated in part 1 for the critical bridge program, \$24,000,000.00 in federal highway bridge replacement and rehabilitation program funds are allocated to the critical bridge fund for the purpose of repairing or replacing bridges in the local off-system categories and local on-system categories. These funds shall be excluded from calculation of funding allocated to programs administered by local jurisdictions required in section 402.

MICHIGAN TRANSPORTATION FUND

Money received under motor carrier act; disposition.

Sec. 501. The money received under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.43, and not appropriated to the department of consumer and industry services or the department of state police is deposited in the Michigan transportation fund.

Audit by department of treasury.

Sec. 502. The department of treasury shall perform audits and make investigations of the disposition of all state funds received by county road commissions or county boards of commissioners, as applicable, and cities and villages for transportation purposes to

determine compliance with the terms and conditions of 1951 PA 51, MCL 247.651 to 247.675. County road commissions or county boards of commissioners, as applicable, and cities and villages shall make available to the department of treasury the pertinent records for the audit.

Economic development and critical bridge programs; carrying forward funds; interest earnings; diversion.

Sec. 503. (1) The funds appropriated in part 1 for the economic development and critical bridge programs shall not lapse at the end of the fiscal year but shall carry forward each fiscal year for the purposes for which appropriated in accordance with 1987 PA 231, MCL 247.901 to 247.913, and section 11b of 1951 PA 51, MCL 247.661b.

(2) Interest earned in the department of transportation economic development fund and critical bridge fund shall remain in the respective funds and shall be allocated to the respective programs based on actual interest earned at the end of each fiscal year.

(3) The department of transportation economic development fund and critical bridge fund may receive and expend federal, local, or private funds or restricted source funds such as interest earnings for projects that are consistent with the programmatic mission of the respective funds in addition to funds appropriated in part 1.

(4) None of the funds statutorily dedicated to the transportation economic development fund and critical bridge fund shall be diverted to other projects.

Distribution of funds from Michigan transportation fund; contracts; report; billings.

Sec. 504. (1) Funds from the Michigan transportation fund (MTF) shall be distributed to the comprehensive transportation fund (CTF), the economic development fund (EDF), the recreational improvement fund (RIF), and the state trunkline fund (STF), in accordance with this act and part 711 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108, and may only be used as specified in this act, 1951 PA 51, MCL 247.651 to 247.675, and part 711 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108.

(2) The amounts appropriated and transferred to various state agencies from part 1 shall be expended from the transportation funds pursuant to annual contracts between the department and state agencies providing tax and fee collection and other services applicable to transportation funds. The contracts shall be executed prior to the transfer of these funds. The contracts shall provide, but are not limited to, the following data applicable to each state agency:

(a) Estimated costs to be recovered from transportation funds.

(b) Description of services financed with transportation funds.

(c) Detailed cost allocation methods that are appropriate to the type of services being provided and the activities financed with transportation funds.

(3) At the close of each fiscal year and before April 1, each state agency receiving an interdepartment and statutory contract from the department shall submit a written report to the department, the state budget director, and the house and senate fiscal agencies stating by spending authorization account the amount of estimated funds contracted with the department, the amount of funds expended, and the amount of funds returned to the transportation funds. A copy of the report shall be submitted to the auditor general and the report shall be subject to audit by the auditor general.

(4) In addition to subsection (2), the department is authorized to receive billings from other state agencies that provide transportation-related services and to make payments

from the Michigan transportation fund, comprehensive transportation fund, economic development fund, state aeronautics fund, and state trunkline fund as determined by the department based on allowable expenditures and verification by the department.

Specialty and commemorative license plates; reports.

Sec. 505. (1) Of the amount appropriated in part 1 from the Michigan transportation fund to the department of state, \$186,600.00 represents the additional cost of issuing specialized license plates for veterans and national guard members, as included in sections 803i, 803j, 803k, and 803l of the Michigan vehicle code, 1949 PA 300, MCL 257.803i, 257.803j, 257.803k, and 257.803l, and \$187,600.00 represents the additional cost of issuing generic license plates for nonprofit fraternal or public service organizations, as included in section 803m of the Michigan vehicle code, 1949 PA 300, MCL 257.803m.

(2) In addition, commemorative and specialty license plate fee revenue collected by the department of state and deposited into the Michigan transportation fund is authorized for expenditure by the department of state up to the amount of revenue collected, but not to exceed \$2,147,300.00 for commemorative plates and \$3,915,000.00 for specialty plates. These amounts are appropriated to the department of state in part 1 to administer the commemorative and specialty license plate programs pursuant to section 225 of the Michigan vehicle code, 1949 PA 300, MCL 257.225.

(3) The department of state shall prepare an annual report on the number of, and the additional costs associated with, these license plate programs to the department, the state budget director, the house and senate fiscal agencies, and the chairpersons of the house of representatives and senate appropriations subcommittees on transportation.

(4) Any unspent funds based on these annual reports shall lapse to the Michigan transportation fund and be distributed in accordance with 1951 PA 51, MCL 247.651 to 247.675.

Removal of tree or vegetation on county right-of-way.

Sec. 506. From the funds appropriated in part 1 for county road commissions, no county road commission shall pay any fee to the state department of natural resources to cut down and/or remove any tree or vegetation on any county right-of-way property.

Services provided by other state departments; alternative funding.

Sec. 507. It is the intent of the legislature to reduce the level of funding for grants from state-restricted transportation funds to other state departments. The department shall recommend alternative funding methods for services provided by other state departments, other than interdepartmental grants from state-restricted transportation funds. The department shall report its recommendations to the house and senate appropriations subcommittees on transportation and to the house and senate fiscal agencies by February 1, 2003.

STATE TRUNKLINE FUND

Warranties.

Sec. 601. The department shall work with the road construction industry to develop performance and road construction warranties for construction contracts. The development of warranties shall include warranties on materials, workmanship, performance criteria, and design/build projects. The department will report by September 30, 2003 to the house of representatives and senate appropriations subcommittees on transportation, the state budget office, and the house and senate fiscal agencies on the status of efforts to develop performance and road construction warranties.

Use of manufactured pipe; standards.

Sec. 602. If the department uses manufactured pipe for road construction drainage, the department shall require that pipe used under certain load-bearing conditions beneath the roadway meet the standards established by the American society for testing and materials (ASTM) or American association of state highway and transportation officials (AASHTO). The department may also use the mandrel test for manufactured pipe 60 days after installation and provide a summary of the results of these inspections to the house of representatives and senate appropriations subcommittees on transportation and house and senate fiscal agencies.

Traffic congestion; use as criteria for determining priority.

Sec. 603. It is the intent of the legislature that the department shall use traffic congestion as 1 of the criteria in determining the priorities for designating which roads shall be remediated in its 5-year road plan, which must be submitted on or before February 1, 2003. Criteria for evaluating traffic congestion shall include, but not be limited to, coordination with local, county, and regional planning, improvement in traffic operations, improvement in physical roadway conditions, accident reduction, and coordination with area public transportation planning.

Pedestrian crossings.

Sec. 607. Funding shall be made available for the remediation of unsafe pedestrian crossings on state highways. Funds from this appropriation may be expended only as matching funds for up to 50% of project cost with additional project funding to be provided by local units of government or through private contributions. Selected projects shall require the approval of the transportation commission. Maintenance of pedestrian overpasses constructed from funds made available through this appropriation shall be the responsibility of a local unit of government or public or private institutions of higher education.

Truck inspection stations.

Sec. 608. From the amounts appropriated in part 1 for forest roads from the transportation economic development fund in the fiscal year ending September 30, 2003, \$40,000.00 shall be used for the purpose of establishing 2 additional truck inspection stations. The department shall work directly with representatives of the timber industry to educate truck drivers on the use of the stations. The department shall report on the status of this program.

Removal of animal remains.

Sec. 610. It is the intent of the legislature that the department have as a priority the removal of dead deer and other large animal remains from the traveled portion and shoulder of state highways. The department, and counties that perform state highway maintenance under contract, shall remove animal remains, wherever practicable, away from the traveled portion and shoulder of state highways.

Sec. 611. From the funds appropriated in part 1, funding from the state trunkline fund shall be used to provide for an east-west all-season road through Barry County.

Sec. 612. From the funds appropriated in part 1, the department shall conduct a feasibility study regarding the construction of a northbound ramp at I-675 and Washington

avenue in the city of Saginaw. The study shall be completed and the findings communicated to the senate and house of representatives appropriations subcommittees on transportation and the senate and house fiscal agencies by February 1, 2003.

Sec. 613. From the funds appropriated in part 1, the department shall conduct a feasibility study regarding the construction of a full interchange between exits 212 and 215 on I-75 in Ogemaw County at M-30. The study shall be completed and the findings communicated to the senate and house of representatives appropriations subcommittees on transportation and the senate and house fiscal agencies by February 1, 2003.

Sec. 614. From the funds appropriated in part 1, the department shall install a traffic light at Vance Road and M-37 in Grand Traverse County.

Sec. 615. From the funds appropriated in part 1, the department shall conduct a feasibility study regarding the construction of an interchange on I-96 at Sternberg Road in Muskegon County. The study shall be completed and the findings communicated to the senate and house of representatives appropriations subcommittees on transportation and the senate and house fiscal agencies by February 1, 2003.

Sec. 616. From the funds appropriated in part 1, the department shall conduct a study regarding traffic conditions on M-104 in Ottawa County between I-96 and Spring Lake. The study shall consider highway improvements to increase traffic safety. The study shall be completed and the findings communicated to the senate and house of representatives appropriations subcommittees on transportation and the senate and house fiscal agencies by February 1, 2003.

Sec. 617. From the funds appropriated in part 1, the department shall conduct a feasibility study regarding the construction of a full interchange at the intersection of M-48 and I-75 in Chippewa County. The study shall be completed and the findings communicated to the senate and house of representatives appropriations subcommittees on transportation and the senate and house fiscal agencies by February 1, 2003.

Sec. 618. The department shall select alternative II, as identified in the draft environmental impact statement for the US-127 west interchange portion of the I-94 freeway modernization project in Jackson County.

COMPREHENSIVE TRANSPORTATION FUND

Intercity bus equipment.

Sec. 701. Money that is received by the state as a lease payment for state-owned intercity bus equipment is not money to be deposited in the comprehensive transportation fund under section 10b of 1951 PA 51, MCL 247.660b, but is money that is deposited in an intercity bus equipment fund for appropriation for the purchase and repair of intercity bus equipment. Proceeds received by the state from the sale of intercity bus equipment are deposited in an intercity bus equipment fund for appropriation for the purchase and repair of intercity bus equipment. Security deposits from the lease of state-owned intercity bus

equipment not returned to the lessee of the equipment under terms of the lease agreement are deposited in an intercity bus equipment fund for appropriation for the repair of intercity bus equipment.

Rail or water freight projects.

Sec. 702. Money that is received by the state as repayment for loans made for rail or water freight capital projects, and as a result of the sale of property or equipment used or projected to be used for rail or water freight projects shall be deposited in the fund created by section 17 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.67.

Abandonment of line; notification from railroad company.

Sec. 703. After receiving notification from a railroad company pursuant to section 8 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.58, the department shall immediately notify the house of representatives and senate appropriations subcommittees on transportation and the state budget office that the railroad company has filed with the appropriate governmental agencies for abandonment of a line.

High-speed rail program.

Sec. 704. The department shall submit a report to both the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies by March 1 of each year outlining its efforts to develop a high-speed rail program as well as efforts to obtain funding for this purpose. The report shall include recommendations on self-sustaining revenue sources to increase awareness and include efforts to increase ridership.

Rail infrastructure loan program.

Sec. 705. From the funds appropriated in part 1, \$100,000.00 is allocated for a rail infrastructure loan program. The program shall provide noninterest-bearing loans for rail infrastructure improvements. The department shall evaluate loan applications according to the relative merit of the project in conjunction with program goals. The transportation commission shall approve the loans. The loans shall fund not more than 90% of the rail portion of project costs, and the loan repayment period shall not exceed 10 years. Local governments, railroads, and current or potential users of freight railroad services are eligible applicants. At the end of the fiscal year, unexpended funds shall remain in the rail infrastructure loan program and shall be available to be allocated for the purposes of the program in the succeeding fiscal year. Money that is received by this state as repayment for rail infrastructure loans made pursuant to this program shall remain within the rail infrastructure loan program and shall be allocated for the purposes of the program. The state's total contribution to the rail infrastructure loan program shall not exceed \$15,000,000.00.

Operations assessment; report by Detroit/Wayne county port authority.

Sec. 706. The Detroit/Wayne County port authority shall issue a complete operations assessment and a financial disclosure statement. The operations assessment shall include operational goals for the next 5 years and recommendations to improve land acquisition and development efficiency. The report shall be completed and submitted to the house of representatives and senate appropriations subcommittees on transportation, the state budget office, and the house and senate fiscal agencies by February 15, 2003.

Grants to certain agencies providing public transportation services.

Sec. 707. For the fiscal year ending September 30, 2003, each eligible authority and each eligible governmental agency which provides public transportation services in urbanized areas with a Michigan population of less than or equal to 100,000 and nonurbanized areas under section 5311 of title 49 of the United States Code, 49 U.S.C. 5311, shall receive a grant of up to 60% of its eligible operating expenses. Each eligible authority and each eligible government agency which provides public transportation services in urbanized areas with a Michigan population of greater than 100,000 under section 5307 of title 49 of the United States Code, 49 U.S.C. 5307, shall receive a grant of up to 50% of its eligible operating expenses.

Private intercity bus carriers; minimum charge for state buses.

Sec. 708. If funds appropriated in part 1 are used to provide state-owned or state-leased buses to private intercity bus carriers, the department shall charge not less than \$1,000.00 per bus per year for their use.

Essential corridor; bus routes.

Sec. 709. (1) The following bus routes are designated as an essential corridor in Michigan:

Between St. Ignace and Escanaba	US-2
Between Escanaba and Duluth	US-2 through Ironwood to the state line
Between Calumet and Escanaba	US-41
Between Escanaba and Milwaukee	US-41 through Menominee to the state line
Between St. Ignace and Sault Ste. Marie	I-75
Between Detroit and Chicago	I-94 from Detroit to the state line
Between Detroit and Muskegon	I-96
Between Grand Rapids, Holland, and Benton Harbor	I-196 to I-94
Between Muskegon and Grand Rapids	US-31, I-96
Between Detroit and Bay City	I-75
Between Bay City and Mount Pleasant	US-10, M-20
Between Jackson and Traverse City	US-127, US-27, I-75, Grayling, Gaylord, M-72 to Traverse City
Between Jackson and Indianapolis	I-69, I-94 to the state line through Albion, Marshall, and Coldwater
Between Houghton Lake and Cadillac	M-55 and M-66
Between Detroit and Toledo	I-75 to the state line
Between the Indiana state line and Traverse City	US-31 and I-196
Between Detroit and Port Huron	I-375 and I-94
Between Toledo and Bay City	US-23, I-75, and I-675, I-75
Between Bay City and Chicago	I-75, Flint, I-69, I-94, Battle Creek, I-94 to the state line
Between Flint and Lansing	I-69, M-21, Owosso, M-52, I-69
Between Bay City and St. Ignace	I-75, US-23

Between Grand Rapids and St. Ignace

US-131, Cadillac, M-115,
Mesick, M-37 to Traverse
City, US-31, Acme, M-72,
Kalkaska, US-131, Boyne
Falls, M-75, Walloon
Lake, US-131, Petoskey,
US-31, I-75, St. Ignace

Between Kalamazoo and Grand Rapids

US-131

(2) Any changes to the essential corridor list in subsection (1) shall be approved by the house and senate appropriations subcommittees on transportation.

(3) No entity shall receive operating assistance for a scheduled regular route service which is competing with another private or public carrier over the same route.

Duplication of existing routes.

Sec. 710. Whenever possible, the department shall work with the local transit agencies to avoid establishing new routes that duplicate existing routes served by intercity carriers when providing services under regional transportation service programs. It is preferable that private intercity carriers be provided an opportunity to bid by local public transit agencies on services funded through the regional transportation service program.

Rail service between Grand Rapids and Chicago and between Port Huron and Chicago.

Sec. 711. (1) From the funds appropriated in part 1 from the comprehensive transportation fund for rail passenger service, the department shall negotiate with a rail carrier to provide rail service between Grand Rapids and Chicago and between Port Huron and Chicago on a 7-day basis, consistent with the other provisions of this section.

(2) The department shall work with the rail carrier, local communities, and the federal government to increase marketing efforts to promote awareness of rail passenger service, to increase ridership, to reduce operating subsidies in conjunction with the federal phaseout of operating subsidies, to maximize the revenue of the rail passenger lines in Michigan, and to improve on-time performance. The department shall submit a report to both the house and senate appropriations committees and the house and senate fiscal agencies by January 1, 2003, that provides a 5-year history on services, ridership, and subsidies.

(3) Future state support for the service between Grand Rapids and Chicago and Port Huron and Chicago is dependent on the department's ability to provide a plan and a contract for services that increase ridership and revenue, reduce operating costs, and improve on-time performance. The department shall include a section in the report required in subsection (2) detailing efforts to reduce the dependence on state operating subsidies and projected operating expenses for the next 2 years, and recommending service alternatives, for the Grand Rapids to Chicago service and the Port Huron to Chicago service.

(4) Any state subsidy shall only provide for the direct operating costs in Michigan and shall not exceed \$5,700,000.00 for the service between Port Huron and Chicago and Grand Rapids and Chicago.

(5) The rail carrier shall, as a condition to receiving a state operating subsidy, establish a system to monitor, collect, and resolve customer complaints and shall make the information available to the department, the house and senate appropriations subcommittees on transportation, and to the house and senate fiscal agencies.

(6) If the chosen rail carrier is Amtrak, the department shall require Amtrak to provide information to the department to identify direct and indirect operating costs prior to receiving any state funding. Any state subsidy shall only provide for the direct operating costs in Michigan.

Demand-response services.

Sec. 714. The department, in cooperation with local transit agencies, shall work to ensure that demand-response services are provided throughout Michigan. The department shall continue to work with local units of government to address the unmet transit needs in Michigan.

Comprehensive transportation fund; closing balance; transfer request.

Sec. 715. (1) On or before January 27, 2003, the department, together with the house and senate fiscal agencies and the department of management and budget, shall estimate the unreserved and unencumbered closing balance of the comprehensive transportation fund (CTF) for the fiscal year ending September 30, 2002. The estimate shall consider lapsed appropriations from the CTF and revised estimates of state restricted transportation revenue.

(2) On or before February 3, 2003, the department shall request a legislative transfer in accordance with section 393 of the management and budget act, 1984 PA 431, MCL 18.1393, to appropriate any estimated unreserved and unencumbered CTF fund balance in excess of \$1,000,000.00. The appropriations included in the transfer request shall be in accordance with the statutory requirements of 1951 PA 51, MCL 247.651 to 247.675, with priority given to local bus operating grants. At the same time the department makes its transfer request, the department shall submit copies of the transfer request to the house of representatives and senate appropriations subcommittees on transportation and the house and senate fiscal agencies.

Grade separations.

Sec. 719. The department may provide advances to local road authorities from the rail grade crossing account pursuant to section 11(1)(g) of 1951 PA 51, MCL 247.661, for the construction of grade separations. Money that is received by the state as a repayment of the advance, including interest on the advance, shall be returned to the rail grade crossing account and be available for the local grade crossing program for advances for the construction of grade separations pursuant to section 11(1)(g) of 1951 PA 51, MCL 247.661.

Bus acquisition capital grants.

Sec. 721. For federal transit administration bus acquisition capital grants matched with CTF funds appropriated in part 1, transit agencies shall have 4 years from the federal approval date to carry out their projects. Contract line items unobligated 4 years after the federal approval date may be matched with CTF funds only up to 15% in the fifth and subsequent years. "Unobligated" means any line item in the contract that is not committed to a third party or purchase order. A waiver shall be granted by the department for an additional year with documented justification from the transit agency accompanied by a resolution from the board or authority seeking a waiver. If a transit agency does not carry out a line item activity in a specific authorization and the transit agency requests funds in a new authorization for that same activity, the line item shall be matched at up to 15%. This section applies only to bus acquisition capital grants. Lapsed funds under this section shall remain in the CTF.

Job access reverse commute grants.

Sec. 722. From the funds appropriated in part 1 for the work first initiative from the CTF, sufficient funds shall be used as a match for job access reverse commute grants for local transit agencies.

Lansing to Detroit rail service.

Sec. 723. From funds appropriated in part 1 for rail passenger service, up to \$1,000,000.00 is appropriated to provide a 20% match for federal funds for capital improvements to facilitate a Lansing to Detroit rail passenger service. This is a 1-time appropriation for community outreach, preliminary engineering, environmental clearance, and design plans only, and no funds from this appropriation shall be used for operating assistance on a Lansing to Detroit rail service. This appropriation is not to be construed as a commitment of operating funds by the legislature. It is the intent of the legislature that funds for ongoing operating costs of a Lansing to Detroit rail service be provided by local units of government within the Lansing to Detroit rail service area. Funds not expended for preliminary engineering, environmental clearance, and design plans shall be returned to the fund from which the appropriation was made.

Southwest Detroit intermodal rail freight facility.

Sec. 724. Funds from the appropriations in part 1 shall not be used for any expansion of an intermodal rail freight facility in southwest Detroit, outside of existing railroad property, prior to the completion of an environmental impact statement.

Detroit area regional transportation authority; start-up costs.

Sec. 725. Within 90 days of enactment of House Bill No. 5467 of the 91st Legislature, the department shall report to the house and senate appropriations committees on the estimated start-up costs associated with the Detroit area regional transportation authority established by House Bill No. 5467 of the 91st Legislature.

AERONAUTICS FUND**State aeronautics fund; lapse.**

Sec. 801. At the close of the fiscal year ending September 30, 2003, any unobligated and unexpended balance in the state aeronautics fund created in the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208, shall lapse to the state aeronautics fund and be appropriated by the legislature in the immediately succeeding fiscal year.

Sec. 803. (1) From the funds appropriated in section 114, the department shall establish an aeronautics safety officer position to coordinate safety functions between the department, the department of natural resources, and the department of state police. It is the intent of the legislature that the safety officer position is jointly funded by the 3 departments in equal shares.

(2) In addition to the funds appropriated in section 113, the department is authorized to expend funds received from the department of natural resources and the department of state police that are intended to support the aeronautics safety officer position established in subsection (1).

Comprehensive transportation fund debt service; funds transfer; condition.

Sec. 805. State aeronautics funds appropriated in part 1 for airport safety and protection plan debt service are transferred to the comprehensive transportation fund and are appropriated for the purpose of reimbursing comprehensive transportation fund debt service obligations for the airport safety and protection plan program. This appropriation does not take effect unless House Bill No. 4454 of the 91st Legislature is enacted into law on or before September 30, 2002.

Fire protection grants to local units of government.

Sec. 901. In addition to the amounts appropriated in part 1, \$7,421,000.00 from the state liquor purchase revolving fund is appropriated to the Michigan department of transportation for transfer to the department of consumer and industry services for fire protection grants to local units of government to be distributed in accordance with 1977 PA 289, MCL 141.951 to 141.956.

This act is ordered to take immediate effect.

Approved September 30, 2002.

Filed with Secretary of State September 30, 2002.

[No. 562]**(SB 1323)**

AN ACT to amend 1978 PA 368, entitled “An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to provide for an appropriation and supplements; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates,” by amending sections 2803, 2834, 2835, 2848, 2888, and 20161 (MCL 333.2803, 333.2834, 333.2835, 333.2848, 333.2888, and 333.20161), section 2835 as amended by 1999 PA 207 and section 20161 as amended by 2002 PA 303.

The People of the State of Michigan enact:

333.2803 Definitions; D to F.

Sec. 2803. (1) “Dead body” means a human body or fetus, or a part of a dead human body or fetus, in a condition from which it may reasonably be concluded that death has occurred.

(2) “Fetal death” means the death of a fetus which has completed at least 20 weeks of gestation or weighs at least 400 grams. The definition shall conform in all other respects as closely as possible to the definition recommended by the federal agency responsible for vital statistics.

(3) “File” means to present a certificate, report, or other record to the local registrar provided for in this part for registration by the state registrar.

(4) “Final disposition” means the burial, cremation, or other disposition of a dead human body or fetus.

333.2834 Report of fetal death; time, form, and manner; prohibited information; report if dead fetus delivered in or outside institution; notice to medical examiner; investigation and report; use and disposition of confidential statistical reports; disclosure identifying biological parents prohibited; incorporation of records into system of vital statistics; certificate of stillbirth.

Sec. 2834. (1) A fetal death occurring in this state, as defined by section 2803, shall be reported to the state registrar within 5 days after delivery. The state registrar shall prescribe the form and manner for reporting fetal deaths.

(2) The reporting form shall not contain the name of the biological parents, common identifiers such as social security or drivers license numbers or other information identifiers that would make it possible to identify in any manner or in any circumstances the biological parents of the fetus. A state agency shall not compare data in an information system file with data in another computer system which would result in identifying in any way a woman or father involved in a fetal death. Statistical information which may reveal the identity of the biological parents involved in a fetal death shall not be maintained. This subsection does not apply after June 1, 2003.

(3) If a dead fetus is delivered in an institution, the individual in charge of the institution or his or her authorized representative shall prepare and file the report.

(4) If a dead fetus is delivered outside an institution, the physician in attendance shall prepare and file the report.

(5) If a fetal death occurs without medical attendance at or after the delivery or if inquiry is required by the medical examiner, the attendant, mother, or other person having knowledge of the fetal death shall notify the medical examiner who shall investigate the cause and prepare and file the report.

(6) The reports required under this section and filed before June 1, 2003 are confidential statistical reports to be used only for medical and health purposes and shall not be incorporated into the permanent official records of the system of vital statistics. A schedule for the disposition of these reports shall be provided for by the department. The department or any employee of the department shall not disclose to any person outside the department the reports or the contents of the reports required by this section and filed before June 1, 2003 in any manner or fashion so as to permit the person or entity to whom the report is disclosed to identify in any way the biological parents.

(7) The reports required under this section and filed on or after June 1, 2003 are permanent vital records documents and shall be incorporated into the system of vital statistics as described in section 2805. Access to a fetal death report or information contained on a fetal death report shall be the same as to a live birth record in accordance with sections 2882, 2883, and 2888.

(8) With information provided to the department under subsection (7), the department shall create a certificate of stillbirth which shall conform as nearly as possible to recognized national standardized forms and shall include, but not be limited to, the following information:

- (a) The name of the fetus, if it was given a name by the parent or parents.
- (b) The number of weeks of gestation completed.
- (c) The date of delivery and weight at the time of delivery.
- (d) The name of the parent or parents.
- (e) The name of the health facility in which the fetus was delivered or the name of the health professional in attendance if the delivery was outside a health facility.

333.2835 “Abortion” and “physical complication” defined; report of abortion; form, transmittal, and contents of report; prohibited information; destruction of reports; annual statistical report; use of statistical reports; prohibited disclosures; violation; penalty.

Sec. 2835. (1) As used in this section and section 2837:

- (a) “Abortion” means that term as defined in section 17015.
 - (b) “Physical complication” means a physical condition occurring during or after an abortion that, under generally accepted standards of medical practice, requires medical attention. Physical complication includes, but is not limited to, infection, hemorrhage, cervical laceration, or perforation of the uterus.
- (2) A physician who performs an abortion shall report the performance of that procedure to the department on forms prescribed and provided by the department. A physician shall transmit a report required under this subsection to the director within 7 days after the performance of the abortion.
- (3) Each report of an abortion required under subsection (2) shall contain only the following information and no other information:
- (a) The age of the woman at the time of the abortion.
 - (b) The marital status of the woman at the time of the abortion.
 - (c) The race of the woman.
 - (d) The city or township, county, and state in which the woman resided at the time of the abortion.
 - (e) The location and type of facility in which the abortion was performed.
 - (f) The source of referral to the physician performing the abortion.
 - (g) The number of previous pregnancies carried to term.
 - (h) The number of previous pregnancies ending in spontaneous abortion.
 - (i) The number of previous pregnancies terminated by abortion.
 - (j) The method used before the abortion to confirm the pregnancy, the period of gestation in weeks of the present pregnancy, and the first day of the last menstrual period.

- (k) The method used to perform the abortion.
- (l) The weight of the embryo or fetus, if determinable.
- (m) Whether the fetus showed evidence of life when separated, expelled, or removed from the woman.
- (n) The date of performance of the abortion.
- (o) The method and source of payment for the abortion.
- (p) A physical complication or death resulting from the abortion and observed by the physician or reported to the physician or his or her agent before the report required under subsection (2) is transmitted to the director.
- (q) The physician's signature and his or her state license number.

(4) The report required under subsection (2) shall not contain the name of the woman, common identifiers such as her social security number or motor vehicle operator's license number or other information or identifiers that would make it possible to identify in any manner or under any circumstances an individual who has obtained or seeks to obtain an abortion. A state agency shall not compare data in an electronic or other information system file with data in another electronic or other information system that would result in identifying in any manner or under any circumstances an individual obtaining or seeking to obtain an abortion. Statistical information that may reveal the identity of a woman obtaining or seeking to obtain an abortion shall not be maintained.

(5) The department shall destroy each individual report required by this section and each copy of the report after retaining the report for 5 years after the date the report is received.

(6) The department shall make available annually in aggregate a statistical report summarizing the information submitted in each individual report required by this section. The department shall specifically summarize aggregate data regarding all of the following in the annual statistical report:

- (a) The period of gestation in 4-week intervals from 5 weeks through 28 weeks.
- (b) Abortions performed on women aged 17 and under.
- (c) Physical complications reported under subsection (3)(o) and section 2837.

(7) The reports required under this section are statistical reports to be used only for medical and health purposes and shall not be incorporated into the permanent official records of the system of vital statistics.

(8) The department or an employee of the department shall not disclose to a person or entity outside the department the reports or the contents of the reports required by this section in a manner or fashion so as to permit the person or entity to whom the report is disclosed to identify in any way the person who is the subject of the report.

(9) A person who discloses confidential identifying information in violation of this section, section 2834(6), or section 2837 is guilty of a felony punishable by imprisonment for not more than 3 years, or a fine of not more than \$5,000.00, or both.

333.2848 Authorization for final disposition of dead body or fetus; time; form; retention of permit; cremation; moving body; permit issued by other state.

Sec. 2848. (1) Except as provided in sections 2844 and 2845, a funeral director or person acting as a funeral director, who first assumes custody of a dead body, not later than 72 hours after death or the finding of a dead body and before final disposition of the body, shall obtain authorization for the final disposition. The authorization for final

disposition of a dead body shall be issued on a form prescribed by the state registrar and signed by the local registrar or the state registrar.

(2) Before final disposition of a dead fetus, irrespective of the duration of pregnancy, the funeral director or person assuming responsibility for the final disposition of the fetus shall obtain from the parents, or parent in case of an unmarried mother, an authorization for final disposition on a form prescribed and furnished or approved by the state registrar. The authorization may allow final disposition to be by a funeral director, the individual in charge of the institution where the fetus was delivered, or an institution or agency authorized to accept donated bodies or fetuses under this code. After final disposition, the funeral director, the individual in charge of the institution, or other person making the final disposition shall retain the permit for not less than 7 years.

(3) If final disposition is by cremation, the medical examiner of the county in which death occurred shall sign the authorization for final disposition.

(4) A body may be moved from the place of death to be prepared for final disposition with the consent of the physician or county medical examiner who certifies the cause of death.

(5) A permit for disposition issued under the law of another state that accompanies a dead body or dead fetus brought into this state is authorization for final disposition of the dead body or dead fetus in this state.

333.2888 Inspection of vital records, disclosure of information, and issuance of copies; procedures; appeal to state registrar.

Sec. 2888. (1) To protect the integrity of vital records, to insure their proper use, and to insure the efficient and proper administration of the system of vital statistics, a person or governmental entity shall not permit inspection of, disclose information contained in vital records, or copy or issue a copy of all or part of a record except as authorized by this part, by rule, or by order of a court of competent jurisdiction. Vital records and information or any part of the information contained in a vital record is not subject to the provisions of the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246. Procedures shall provide for adequate standards of security and confidentiality of vital records.

(2) The department may establish procedures for the disclosure of information contained in vital records for research purposes.

(3) An appeal from a decision of a custodian of permanent local records refusing to disclose information, or to permit inspection of or copying of records under the authority of this section and procedures adopted under section 2896, shall be made to the state registrar, whose decision is binding on the local custodian of permanent local records.

333.20161 Fees for health facility and agency licenses and certificates of need; surcharge; fee for provisional license or temporary permit; fee to recover cost of proficiency evaluation samples; fee for reissuance of clinical laboratory license; cost of licensure activities; application fee for waiver under § 333.21564; travel expenses; fees for licensure or renewal under part 209; deposit of fees; use of quality assurance assessment fee; earmarking "medicaid" defined.

Sec. 20161. (1) The department shall assess fees for health facility and agency licenses and certificates of need on an annual basis as provided in this article. Except as otherwise provided in this article, fees shall be paid in accordance with the following fee schedule:

- | | |
|--|--------------------------|
| (a) Freestanding surgical outpatient facilities..... | \$238.00 per facility. |
| (b) Hospitals | \$8.28 per licensed bed. |

(c) Nursing homes, county medical care facilities, and hospital long-term care units	\$2.20 per licensed bed.
(d) Homes for the aged	\$6.27 per licensed bed.
(e) Clinical laboratories	\$475.00 per laboratory.
(f) Hospice residences	\$200.00 per license survey; and \$20.00 per licensed bed.

(g) Subject to subsection (13), quality assurance assessment fee for nongovernmentally owned nursing homes and hospital long-term care units

an amount resulting in not more than a 7% increase in aggregate medicaid nursing home and hospital long-term care unit payment rates, net of assessments, above the rates that were in effect on April 1, 2002.

(h) Subject to subsection (14), quality assurance assessment fee for hospitals

at a rate that generates funds not more than the maximum allowable under the federal matching requirements, after consideration for the amounts in subsection (14)(a) and (k).

(2) If a hospital requests the department to conduct a certification survey for purposes of title XVIII or title XIX of the social security act, the hospital shall pay a license fee surcharge of \$23.00 per bed. As used in this subsection, “title XVIII” and “title XIX” mean those terms as defined in section 20155.

(3) The base fee for a certificate of need is \$750.00 for each application. For a project requiring a projected capital expenditure of more than \$150,000.00 but less than \$1,500,000.00, an additional fee of \$2,000.00 shall be added to the base fee. For a project requiring a projected capital expenditure of \$1,500,000.00 or more, an additional fee of \$3,500.00 shall be added to the base fee.

(4) If licensure is for more than 1 year, the fees described in subsection (1) are multiplied by the number of years for which the license is issued, and the total amount of the fees shall be collected in the year in which the license is issued.

(5) Fees described in this section are payable to the department at the time an application for a license, permit, or certificate is submitted. If an application for a license, permit, or certificate is denied or if a license, permit, or certificate is revoked before its expiration date, the department shall not refund fees paid to the department.

(6) The fee for a provisional license or temporary permit is the same as for a license. A license may be issued at the expiration date of a temporary permit without an additional fee for the balance of the period for which the fee was paid if the requirements for licensure are met.

(7) The department may charge a fee to recover the cost of purchase or production and distribution of proficiency evaluation samples that are supplied to clinical laboratories pursuant to section 20521(3).

(8) In addition to the fees imposed under subsection (1), a clinical laboratory shall submit a fee of \$25.00 to the department for each reissuance during the licensure period of the clinical laboratory's license.

(9) Except for the licensure of clinical laboratories, not more than half the annual cost of licensure activities as determined by the department shall be provided by license fees.

(10) The application fee for a waiver under section 21564 is \$200.00 plus \$40.00 per hour for the professional services and travel expenses directly related to processing the application. The travel expenses shall be calculated in accordance with the state standardized travel regulations of the department of management and budget in effect at the time of the travel.

(11) An applicant for licensure or renewal of licensure under part 209 shall pay the applicable fees set forth in part 209.

(12) The fees collected under this section shall be deposited in the state treasury, to the credit of the general fund.

(13) The quality assurance assessment fee collected under subsection (1)(g) and all federal matching funds attributed to that fee shall be used only for the following purposes and under the following specific circumstances:

(a) The quality assurance assessment fee and all federal matching funds attributed to that fee shall be used to maintain the increased per diem medicaid reimbursement rate increases as provided for in subdivision (e). Only licensed nursing homes and hospital long-term care units that are assessed the quality assurance assessment fee and participate in the medicaid program are eligible for increased per diem medicaid reimbursement rates under this subdivision.

(b) The quality assurance assessment fee shall be implemented on the effective date of the amendatory act that added this subsection.

(c) The quality assurance assessment fee is based on the number of licensed nursing home beds and the number of licensed hospital long-term care unit beds in existence on July 1 of each year, shall be assessed upon implementation pursuant to subdivision (b) and subsequently on October 1 of each following year, and is payable on a quarterly basis, the first payment due 90 days after the date the fee is assessed.

(d) Beginning October 1, 2007, the department shall no longer assess or collect the quality assurance assessment fee or apply for federal matching funds.

(e) Upon implementation pursuant to subdivision (b), the department of community health shall increase the per diem nursing home medicaid reimbursement rates for the balance of that year. For each subsequent year in which the quality assurance assessment fee is assessed and collected, the department of community health shall maintain the medicaid nursing home reimbursement payment increase financed by the quality assurance assessment fee.

(f) The department of community health shall implement this section in a manner that complies with federal requirements necessary to assure that the quality assurance assessment fee qualifies for federal matching funds.

(g) If a nursing home or a hospital long-term care unit fails to pay the assessment required by subsection (1)(g), the department of community health may assess the nursing home or hospital long-term care unit a penalty of 5% of the assessment for each month

that the assessment and penalty are not paid up to a maximum of 50% of the assessment. The department of community health may also refer for collection to the department of treasury past due amounts consistent with section 13 of 1941 PA 122, MCL 205.13.

(h) The medicaid nursing home quality assurance assessment fund is established in the state treasury. The department of community health shall deposit the revenue raised through the quality assurance assessment fee with the state treasurer for deposit in the medicaid nursing home quality assurance assessment fund.

(i) Neither the department of consumer and industry services nor the department of community health shall implement this subsection in a manner that conflicts with 42 U.S.C. 1396b(w).

(j) The quality assurance assessment fee collected under subsection (1)(g) shall be prorated on a quarterly basis for any licensed beds added to or subtracted from a nursing home or hospital long-term care unit since the immediately preceding July 1. Any adjustments in payments are due on the next quarterly installment due date.

(k) In each fiscal year governed by this subsection, medicaid reimbursement rates shall not be reduced below the medicaid reimbursement rates in effect on April 1, 2002 as a direct result of the quality assurance assessment fee collected under subsection (1)(g).

(l) The amounts listed in this subdivision are appropriated for the department of community health, subject to the conditions set forth in this subsection, for the fiscal year ending September 30, 2003:

MEDICAL SERVICES

Long-term care services.....	\$ 1,469,003,900
Gross appropriation.....	\$ 1,469,003,900
Appropriated from:	
Federal revenues:	
Total federal revenues.....	814,122,200
Special revenue funds:	
Medicaid quality assurance assessment.....	44,829,000
Total local revenues	8,445,100
State general fund/general purpose	\$ 601,607,600

(14) The quality assurance dedication is an earmarked assessment fee collected under subsection (1)(h). That fee and all federal matching funds attributed to that fee shall be used only for the following purposes and under the following specific circumstances:

(a) Part of the quality assurance assessment fee shall be used to maintain the increased medicaid reimbursement rate increases as provided for in subdivision (d). A portion of the funds collected from the quality assurance assessment fee may be used to offset any reduction to existing intergovernmental transfer programs with public hospitals that may result from implementation of the enhanced medicaid payments financed by the quality assurance assessment fee. Any portion of the funds collected from the quality assurance assessment fee reduced because of existing intergovernmental transfer programs shall be used to finance medicaid hospital appropriations.

(b) The quality assurance assessment fee shall be implemented on the effective date of the amendatory act that added this subsection.

(c) The quality assurance assessment fee shall be assessed on all net patient revenue, before deduction of expenses, less medicare net revenue, as reported in the most recently available medicare cost report and is payable on a quarterly basis, the first payment due 90 days after the date the fee is assessed. As used in this subdivision, “medicare net revenue” includes medicare payments and amounts collected for coinsurance and deductibles.

(d) Upon implementation pursuant to subdivision (b), the department of community health shall increase the hospital medicaid reimbursement rates for the balance of that year. For each subsequent year in which the quality assurance assessment fee is assessed and collected, the department of community health shall maintain the hospital medicaid reimbursement rate increase financed by the quality assurance assessment fees.

(e) The department of community health shall implement this section in a manner that complies with federal requirements necessary to assure that the quality assurance assessment fee qualifies for federal matching funds.

(f) If a hospital fails to pay the assessment required by subsection (1)(h), the department of community health may assess the hospital a penalty of 5% of the assessment for each month that the assessment and penalty are not paid up to a maximum of 50% of the assessment. The department of community health may also refer for collection to the department of treasury past due amounts consistent with section 13 of 1941 PA 122, MCL 205.13.

(g) The hospital quality assurance assessment fund is established in the state treasury. The department of community health shall deposit the revenue raised through the quality assurance assessment fee with the state treasurer for deposit in the hospital quality assurance assessment fund.

(h) In each fiscal year governed by this subsection, the quality assurance assessment fee shall only be collected and expended if medicaid hospital inpatient DRG and outpatient reimbursement rates and disproportionate share hospital and graduate medical education payments are not below the level of rates and payments in effect on April 1, 2002 as a direct result of the quality assurance assessment fee collected under subsection (1)(h), except as provided in subdivision (j).

(i) The amounts listed in this subdivision are appropriated for the department of community health, subject to the conditions set forth in this subsection, for the fiscal year ending September 30, 2003:

MEDICAL SERVICES

Hospital services and therapy.....	\$	149,200,000
Gross appropriation.....	\$	149,200,000
Appropriated from:		
Federal revenues:		
Total federal revenues.....		82,686,800
Special revenue funds:		
Medicaid quality assurance assessment.....		66,513,500
Total local revenues.....		0
State general fund/general purpose.....	\$	0

(j) The quality assurance assessment fee collected under subsection (1)(h) shall no longer be assessed or collected after September 30, 2004, or in the event that the quality assurance assessment fee is not eligible for federal matching funds. Any portion of the quality assurance assessment collected from a hospital that is not eligible for federal matching funds shall be returned to the hospital.

(k) In fiscal year 2002-2003, \$18,900,000.00 of the quality assurance assessment fee shall be deposited into the general fund.

(15) As used in this section, "medicaid" means that term as defined in section 22207.

This act is ordered to take immediate effect.

Approved October 1, 2002.

Filed with Secretary of State October 1, 2002.

[No. 563]**(HB 5637)**

AN ACT to amend 2001 PA 142, entitled “An act to consolidate prior acts naming certain Michigan highways; to provide for the naming of certain highways; to prescribe certain duties of the state transportation department; and to repeal acts and parts of acts and certain resolutions,” (MCL 250.1001 to 250.1100) by adding section 85.

The People of the State of Michigan enact:

250.1085 “Korean War Veterans Memorial Highway”.

Sec. 85. That portion of highway M-82 beginning at the city of Newaygo in Newaygo county and extending east to Howard City in Montcalm county shall be named the “Korean War Veterans Memorial Highway”.

This act is ordered to take immediate effect.

Approved October 1, 2002.

Filed with Secretary of State October 2, 2002.

[No. 564]**(HB 6008)**

AN ACT to amend 1971 PA 174, entitled “An act to create the office of child support; and to prescribe certain powers and duties of the office, certain public and private agencies, and certain employers and former employers,” by amending sections 1, 3, and 9 (MCL 400.231, 400.233, and 400.239), section 1 as amended and section 9 as added by 1999 PA 161 and section 3 as amended by 1998 PA 112, and by adding section 10.

The People of the State of Michigan enact:

400.231 Definitions.

Sec. 1. As used in this act:

(a) “Account” means any of the following:

- (i) A demand deposit account.
- (ii) A draft account.
- (iii) A checking account.
- (iv) A negotiable order of withdrawal account.
- (v) A share account.
- (vi) A savings account.
- (vii) A time savings account.
- (viii) A mutual fund account.
- (ix) A securities brokerage account.
- (x) A money market account.
- (xi) A retail investment account.

(b) “Account” does not mean any of the following:

- (i) A trust.

(ii) An annuity.

(iii) A qualified individual retirement account.

(iv) An account covered by the employee retirement income security act of 1974, Public Law 93-406, 88 Stat. 829.

(v) A pension or retirement plan.

(vi) An insurance policy.

(c) “Address” means the primary address shown on the records of a financial institution used by the financial institution to contact an account holder.

(d) “Adult responsible for the child” means a parent, relative who has physically cared for the child, putative father, or current or former guardian of a child, including an emancipated or adult child.

(e) “Current employment” means employment within 1 year before a friend of the court request for information.

(f) “Department” means the family independence agency.

(g) “Financial asset” means stock, a bond, a money market fund, a deposit, an account, or a similar instrument.

(h) “Financial institution” means any of the following:

(i) A state or national bank.

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

(iii) A state or federally chartered savings bank.

(iv) A state or federally chartered credit union.

(v) An insurance company.

(vi) An entity that offers any of the following to a resident of this state:

(A) A mutual fund account.

(B) A securities brokerage account.

(C) A money market account.

(D) A retail investment account.

(vii) An entity regulated by the securities and exchange commission that collects funds from the public.

(viii) An entity that is a member of the national association of securities dealers and that collects funds from the public.

(ix) An entity that collects funds from the public.

(i) “Office” means the office of child support.

(j) “Friend of the court case” means that term as defined in section 2 of the friend of the court act, 1982 PA 294, MCL 552.502. The term “friend of the court case”, when used in a provision of this act, is not effective until on and after the effective date of section 5a of the friend of the court act, MCL 552.505a.

(k) “Payer”, “recipient of support”, “source of income”, and “support” mean those terms as defined in section 2 of the support and parenting time enforcement act, 1982 PA 295, MCL 552.602.

(l) “State disbursement unit” or “SDU” means the entity established in section 6 for centralized state receipt and disbursement of support and fees.

(m) “Title IV-D” means part D of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 651 to 655, 656 to 657, 658a to 660, and 663 to 669b.

400.233 Office of child support; duties.

Sec. 3. The office shall do all of the following:

- (a) Serve as a state agency authorized to administer title IV-D.
- (b) Assist a governmental agency or department in locating an adult responsible for the child for any of the following purposes:
 - (i) To establish parentage.
 - (ii) To establish, set the amount of, modify, or enforce support obligations.
 - (iii) To disburse support receipts.
 - (iv) To make or enforce child custody or parenting time orders.
- (c) Coordinate activity on a state level in a search for an adult responsible for the child.
- (d) Obtain information that directly relates to the identity or location of an adult responsible for the child.
- (e) Serve as the information agency as provided in the revised uniform reciprocal enforcement of support act, 1952 PA 8, MCL 780.151 to 780.183, and uniform interstate family support act, 1996 PA 310, MCL 552.1101 to 552.1901.
- (f) Develop guidelines for coordinating activities of a governmental department, board, commission, bureau, agency, or council, or a public or private agency, in providing information necessary for the location of an adult responsible for the child.
- (g) Develop, administer, and coordinate with the state and federal departments of treasury a procedure for offsetting the state tax refunds and federal income tax refunds of a parent who is obligated to support a child and who owes past due support. The procedure shall include a guideline that the office submit to the state department of treasury, not later than November 15 of each year, all requests for the offset of state tax refunds claimed on returns filed or to be filed for that tax year.
- (h) Develop and implement a statewide information system to facilitate the establishment and enforcement of child support obligations.
- (i) Publicize through regular and frequent, nonsexist public service announcements the availability of support establishment and enforcement services.
- (j) Develop and implement in cooperation with financial institutions a data matching and lien and levy system to identify assets of and to facilitate the collection of support from the assets of individuals who have an account at a financial institution and who are obligated to pay support as provided in this act.
- (k) Provide discovery and support for support enforcement activities as provided in the support and parenting time enforcement act, 1982 PA 295, MCL 552.601 to 552.650.
- (l) Have in effect safeguards against the unauthorized use or disclosure of case record information that are designed to protect the privacy rights of the parties as specified in sections 454 and 454a of title IV-D, 42 U.S.C. 654 and 654a, and that are consistent with the use and disclosure standards provided under section 64 of the social welfare act, 1939 PA 280, MCL 400.64.
- (m) As provided in section 10 for friend of the court cases, centralize administrative enforcement remedies and develop and implement a centralized enforcement program to facilitate the collection of support.

400.239 Transition to centralized receipt and disbursement of support and fees.

Sec. 9. The department, the SDU, and each office of the friend of the court shall cooperate in the transition to the centralized receipt and disbursement of support and fees. An office of the friend of the court shall continue to receive and disburse support and fees through the transition, based on the schedule developed as required by section 7, and modifications to that schedule as the department considers necessary.

400.240 Centralized enforcement.

Sec. 10. (1) Based on criteria established by the office and the state court administrative office, the office may centralize administrative enforcement procedures for services provided under title IV-D. The office may also centralize enforcement activities for friend of the court cases based on criteria established by the office and the state court administrative office. The criteria for centralizing enforcement activities for a friend of the court case shall require, at a minimum, both of the following:

(a) That support enforcement measures undertaken by the office of the friend of the court have been unsuccessful, including, but not limited to, a lack of regular and substantial payments against the arrearage.

(b) That the arrearage is equal to or greater than the amount of support payable either for 12 months or, if the recipient of support requests centralization of enforcement activities, for 6 months.

(2) Each office of the friend of the court shall provide the office with information necessary for the office to identify cases eligible for centralized enforcement, as well as case information necessary for the office to pursue enforcement remedies.

(3) The office's centralized enforcement may include, but is not limited to, 1 or more of the following:

(a) An enforcement remedy available under the support and parenting time enforcement act, 1982 PA 295, MCL 552.601 to 552.650.

(b) Contracting with a public or private collection agency. Except upon the request of the recipient of support, an additional fee shall not be charged to the recipient of support for collection services by any public or private collection agency contracting under this subdivision.

(c) Contracting with a public or private locator service.

(d) Publishing a delinquent payer's name.

(e) A local or regional agreement with a law enforcement agency or prosecutor.

(4) The office shall notify the custodial parent in each friend of the court case that the office selects for centralized enforcement that the parent's case has been selected.

(5) The office shall develop a system to track each friend of the court case selected for centralized enforcement so that the office of the friend of the court from which the case is selected can be identified. The office shall process collections resulting from centralized enforcement through the SDU and, for the purpose of child support incentive calculations, shall credit those collections to the office of the friend of the court identified with the case. In consultation with the state court administrative office, the office shall establish policies and procedures for expenses related to enforcement activities under this act.

(6) This section does not limit the office's ability to enter into agreements for child support enforcement with an office of the friend of the court, law enforcement agency, prosecutor, government unit, or private entity as that ability existed on the effective date of this section.

(7) Within 1 year after the effective date of this section and within 1 year after the deadline for the previous report, the office shall submit an annual report to the legislature regarding friend of the court cases assigned to a private collection agency for support collection under a contract with the office. The report shall include at least all of the following for each private collection agency that was assigned friend of the court cases for support collection:

(a) Total number of friend of the court cases assigned.

(b) Total number of those friend of the court cases in which a support payment was received.

(c) Total support collected for those friend of the court cases.

(d) Total support due for those friend of the court cases.

Effective date.

Enacting section 1. This amendatory act takes effect December 1, 2002.

Approved October 3, 2002.

Filed with Secretary of State October 3, 2002.

[No. 565]

(HB 6004)

AN ACT to amend 1982 PA 295, entitled "An act to provide for and to supplement statutes that provide for the provisions and enforcement of support, health care, and parenting time orders with respect to divorce, separate maintenance, paternity, child custody and support, and spousal support; to prescribe and authorize certain provisions of those orders; to prescribe the powers and duties of the circuit court and friend of the court; to prescribe certain duties of certain employers and other sources of income; to provide for penalties and remedies; and to repeal acts and parts of acts," by amending sections 2, 25a, 25b, and 28 (MCL 552.602, 552.625a, 552.625b, and 552.628), section 2 as amended by 1999 PA 160 and sections 25a and 25b as added and section 28 as amended by 1998 PA 334, and by adding sections 5c, 25c, 25d, 25e, 25f, 25g, 25h, and 25i.

The People of the State of Michigan enact:

552.602 Definitions.

Sec. 2. As used in this act:

(a) "Account" means any of the following:

(i) A demand deposit account.

(ii) A draft account.

(iii) A checking account.

(iv) A negotiable order of withdrawal account.

(v) A share account.

(vi) A savings account.

(vii) A time savings account.

(viii) A mutual fund account.

(ix) A securities brokerage account.

(x) A money market account.

(xi) A retail investment account.

(b) “Account” does not mean any of the following:

(i) A trust.

(ii) An annuity.

(iii) A qualified individual retirement account.

(iv) An account covered by the employee retirement income security act of 1974, Public Law 93-406, 88 Stat. 829.

(v) A pension or retirement plan.

(vi) An insurance policy.

(c) “Address” means the primary address shown on the records of a financial institution used by the financial institution to contact the account holder.

(d) “Cash” means money or the equivalent of money, such as a money order, cashier’s check, or negotiable check or a payment by debit or credit card, which equivalent is accepted as cash by the agency accepting the payment.

(e) “Custody or parenting time order violation” means an individual’s act or failure to act that interferes with a parent’s right to interact with his or her child in the time, place, and manner established in the order that governs custody or parenting time between the parent and the child and to which the individual accused of interfering is subject.

(f) “Department” means the family independence agency.

(g) “Domestic relations matter” means a circuit court proceeding as to child custody or parenting time, or child or spousal support, that arises out of litigation under a statute of this state, including, but not limited to, the following:

(i) 1846 RS 84, MCL 552.1 to 552.45.

(ii) The family support act, 1966 PA 138, MCL 552.451 to 552.459.

(iii) Child custody act of 1970, 1970 PA 91, MCL 722.21 to 722.31.

(iv) 1968 PA 293, MCL 722.1 to 722.6.

(v) The paternity act, 1956 PA 205, MCL 722.711 to 722.730.

(vi) Revised uniform reciprocal enforcement of support act, 1952 PA 8, MCL 780.151 to 780.183.

(vii) Uniform interstate family support act, 1996 PA 310, MCL 552.1101 to 552.1901.

(h) “Driver’s license” means license as that term is defined in section 25 of the Michigan vehicle code, 1949 PA 300, MCL 257.25.

(i) “Employer” means an individual, sole proprietorship, partnership, association, or private or public corporation, the United States or a federal agency, this state or a political subdivision of this state, another state or a political subdivision of another state, or another legal entity that hires and pays an individual for his or her services.

(j) “Financial asset” means a deposit, account, money market fund, stock, bond, or similar instrument.

(k) “Financial institution” means any of the following:

(i) A state or national bank.

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

(iii) A state or federally chartered savings bank.

(iv) A state or federally chartered credit union.

(v) An insurance company.

(vi) An entity that offers any of the following to a resident of this state:

(A) A mutual fund account.

(B) A securities brokerage account.

(C) A money market account.

(D) A retail investment account.

(vii) An entity regulated by the securities and exchange commission that collects funds from the public.

(viii) An entity that is a member of the national association of securities dealers and that collects funds from the public.

(ix) Another entity that collects funds from the public.

(l) “Friend of the court act” means 1982 PA 294, MCL 552.501 to 552.535.

(m) “Friend of the court case” means that term as defined in section 2 of the friend of the court act, MCL 552.502. The term “friend of the court case”, when used in a provision of this act, is not effective until on and after the effective date of section 5a of the friend of the court act, MCL 552.505a.

(n) “Income” means any of the following:

(i) Commissions, earnings, salaries, wages, and other income due or to be due in the future to an individual from his or her employer and successor employers.

(ii) A payment due or to be due in the future to an individual from a profit-sharing plan, a pension plan, an insurance contract, an annuity, social security, unemployment compensation, supplemental unemployment benefits, or worker’s compensation.

(iii) An amount of money that is due to an individual as a debt of another individual, partnership, association, or private or public corporation, the United States or a federal agency, this state or a political subdivision of this state, another state or a political subdivision of another state, or another legal entity that is indebted to the individual.

(o) “Insurer” means an insurer, health maintenance organization, health care corporation, or other group, plan, or entity that provides health care coverage in accordance with any of the following acts:

(i) Public health code, 1978 PA 368, MCL 333.1101 to 333.25211.

(ii) The insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302.

(iii) The nonprofit health care corporation reform act, 1980 PA 350, MCL 550.1101 to 550.1704.

(p) “Medical assistance” means medical assistance as established under title XIX of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396r-6 and 1396r-8 to 1396v.

(q) “Occupational license” means a certificate, registration, or license issued by a state department, bureau, or agency that has regulatory authority over an individual that

allows an individual to legally engage in a regulated occupation or that allows the individual to use a specific title in the practice of an occupation, profession, or vocation.

(r) “Office of child support” means the office of child support established in section 2 of the office of child support act, 1971 PA 174, MCL 400.232.

(s) “Office of the friend of the court” means an agency created in section 3 of the friend of the court act, MCL 552.503.

(t) “Order of income withholding” means an order entered by the circuit court providing for the withholding of a payer’s income to enforce a support order under this act.

(u) “Payer” means an individual who is ordered by the circuit court to pay support.

(v) “Person” means an individual, partnership, corporation, association, governmental entity, or other legal entity.

(w) “Plan administrator” means that term as used in relation to a group health plan under section 609 of part 6 of subtitle B of title I of the employee retirement income security act of 1974, Public Law 93-406, 29 U.S.C. 1169, if the health care coverage plan of the individual who is responsible for providing a child with health care coverage is subject to that act.

(x) “Political subdivision” means a county, city, village, township, educational institution, school district, or special district or authority of the state or of a local unit of government.

(y) “Recipient of support” means the following:

(i) The spouse, if the support order orders spousal support.

(ii) The custodial parent or guardian, if the support order orders support for a minor child or a child who is 18 years of age or older.

(iii) The department, if support has been assigned to that department.

(z) “Recreational or sporting license” means a hunting, fishing, or fur harvester’s license issued under the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106, but does not include a commercial fishing license or permit issued under part 473 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.47301 to 324.47362.

(aa) “Referee” means a person who is designated as a referee under the friend of the court act.

(bb) “Source of income” means an employer or successor employer or another individual or entity that owes or will owe income to the payer.

(cc) “State disbursement unit” or “SDU” means the entity established in section 6 of the office of child support act, 1971 PA 174, MCL 400.236.

(dd) “State friend of the court bureau” means that bureau as created in the state court administrative office under section 19 of the friend of the court act, MCL 552.519.

(ee) “Support” means all of the following:

(i) The payment of money for a child or a spouse ordered by the circuit court, whether the order is embodied in an interim, temporary, permanent, or modified order or judgment. Support may include payment of the expenses of medical, dental, and other health care, child care expenses, and educational expenses.

(ii) The payment of money ordered by the circuit court under the paternity act, 1956 PA 205, MCL 722.711 to 722.730, for the necessary expenses incurred by or for the mother in connection with her confinement, for other expenses in connection with the pregnancy of the mother, or for the repayment of genetic testing expenses.

(iii) A surcharge accumulated under section 3a.

(ff) “Support order” means an order entered by the circuit court for the payment of support, whether or not a sum certain.

(gg) “Title IV-D” means part D of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 651 to 655, 656 to 657, 658a to 660, and 663 to 669b.

(hh) “Title IV-D agency” means the agency in this state performing the functions under title IV-D and includes a person performing those functions under contract including an office of the friend of the court or a prosecuting attorney.

(ii) “Work activity” means any of the following:

(i) Unsubsidized employment.

(ii) Subsidized private sector employment.

(iii) Subsidized public sector employment.

(iv) Work experience, including work associated with the refurbishing of publicly assisted housing, if sufficient private sector employment is not available.

(v) On-the-job training.

(vi) Referral to and participation in the work first program prescribed in the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, or other job search and job readiness assistance.

(vii) Community service programs.

(viii) Vocational educational training, not to exceed 12 months with respect to an individual.

(ix) Job skills training directly related to employment.

(x) Education directly related to employment, in the case of an individual who has not received a high school diploma or a certificate of high school equivalency.

(xi) Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of an individual who has not completed secondary school or received such a certificate.

(xii) The provisions of child care services to an individual who is participating in a community service program.

552.605c Support order; monthly amounts; conversion; proration; applicability of excess payment against arrearage.

Sec. 5c. (1) All support orders shall be stated in monthly amounts payable on the first of each month in advance. A support obligation not paid by the last day of the month in which it accrues is past due. If a support order does not state the amount of support as a monthly amount, the support amount stated in the order shall be converted to a monthly amount using the formula established by the state court administrative office.

(2) If payments under a support order are being made in the amount required, through income withholding, pursuant to an installment payment order, or otherwise, and there are no preexisting arrearages, the friend of the court shall not consider the payer as having an arrearage if a periodic temporary arrearage is created based upon the conversion of the monthly support order to an income withholding order or other payment schedule and which results from a divergence between the cycle of payments under the income withholding or payment schedule and the cycle of charges.

(3) If a support order takes effect on other than the first day of a month, the monthly amount is prorated based on the daily amount for that month. A monthly support order amount shall be prorated for the last month in which the order is in effect.

(4) If the title IV-D agency receives a support payment that, at the time of its receipt, exceeds a payer's support amount payable plus an amount payable under an arrearage payment schedule, the title IV-D agency shall apply the excess against the payer's total arrearage accrued under all support orders under which the payer is obligated. If a balance remains after application against the total arrearage, the title IV-D agency shall do 1 of the following:

(a) If the payer designates the balance as additional support, immediately disburse that amount to the recipient of support.

(b) If, at the time the payment is received, the payer is obligated under a support order for a future support payment and the balance is less than or equal to the monthly support order amount, retain the balance and disburse it to the recipient of support immediately when the amount is payable as support.

(c) If, at the time the payment is received, the payer is not obligated for a future support payment, or the payer is obligated under a support order for a future support payment but the balance is greater than the monthly support order amount, return the balance to the payer.

552.625a Lien; creation; effect; full faith and credit to liens created in other states; priority; notice.

Sec. 25a. (1) The amount of past due support that accrues under a judgment as provided in section 3 or under the law of another state constitutes a lien in favor of the recipient of support against the real and personal property of a payer, other than financial assets pledged to a financial institution as collateral or financial assets to which a financial institution has a prior right of setoff or other lien. The lien is effective at the time that the support is due and unpaid and shall continue until the amount of past due support is paid in full or the lien is terminated by the IV-D agency.

(2) Liens that arise in other states shall be accorded full faith and credit when the requirements of section 25b or 25c are met.

(3) A lien created under subsection (1) is subordinate to a prior perfected lien. All liens created under subsection (1) and described in subsection (2) have equal priority.

(4) Before a lien is perfected or levied under this act, the title IV-D agency shall send a notice to the payer subject to the support order informing the payer of the imposition of liens by operation of law and that the payer's real and personal property can be encumbered or seized if an arrearage accrues in an amount that exceeds the amount of periodic support payments payable under the payer's support order for the time period specified in this act.

(5) The title IV-D agency or another person required to provide notice under this section or sections 25b to 25i shall provide notice by paper, unless the person to be notified agrees to notice by other means. The title IV-D agency or other person providing notice under this section or sections 25b to 25i shall complete and preserve proof of service of the notice in a form substantially conforming to the requirements for proof of service under the Michigan court rules.

552.625b Remedy as cumulative; lien; perfection; notice; review procedures; enforcement; termination; disclosure of information.

Sec. 25b. (1) A remedy provided by this section is cumulative and does not affect the availability of another remedy under this act or other law.

(2) Except for a financial asset to which section 25c applies, the title IV-D agency may perfect a lien created under section 25a upon the real or personal property of the payer

when an arrearage has accrued in an amount that exceeds 2 times the monthly amount of periodic support payments payable under the payer's support order.

(3) If the arrearage under subsection (2) is reached and the title IV-D agency has determined that the delinquent payer holds real or personal property, other than a financial asset to which section 25c applies, the title IV-D agency may perfect the lien. The title IV-D agency shall perfect a lien on property to which this section applies in the same manner in which another lien on property of the same type is perfected.

(4) The title IV-D agency shall notify the payer when the title IV-D agency has perfected a lien against real or personal property of the payer. The notice shall be sent by ordinary mail to the payer's last known address, and a copy of the notice shall be sent by ordinary mail to the recipient of support. A notice under this subsection shall include all of the following:

(a) The amount of the arrearage.

(b) That a lien is in effect on the real or personal property of the payer.

(c) That the property is subject to seizure unless the payer responds by paying the arrearage or requesting a review within 21 days after the date of mailing the notice.

(d) That, at the review, the payer may object to the lien and to proposed action based on a mistake of fact concerning the overdue support amount or the payer's identity.

(e) That, if the payer believes that the amount of support ordered should be modified because of a change in circumstances, the payer may file a petition with the court for modification of the support order.

(5) Within 21 days after the date on which the notice described in subsection (4) is mailed to a payer, the payer may request a review on the lien and the proposed action. If the payer requests a review under this subsection, the title IV-D agency shall conduct the review within 14 days after the date of the request.

(6) If, at the review, the payer establishes that the lien is not proper because of a mistake of fact, the title IV-D agency shall terminate the lien and, within 7 days, notify the applicable entity that the lien is terminated.

(7) If the payer fails to request a review, to appear for a review, or to establish a mistake of fact, the title IV-D agency may collect the arrearage by levy upon any property belonging to the payer as provided in this section. The title IV-D agency shall notify the payer at the review or by written notice of its intent to levy.

(8) To enforce a lien on real property or personal property, the title IV-D agency may sell the real property in the manner provided by law for the judicial foreclosure of mortgage liens; apply to the circuit court for an order to execute the judgment, to appoint a receiver of the real and personal property subject to the lien, and to order the property and its income to be applied to the amount of the judgment; or take any other appropriate action to enforce the judgment. The title IV-D agency shall mail a copy of orders under this subsection to the payer and recipient of support at his or her last known address.

(9) A payer may request that the title IV-D agency terminate a lien against the real and personal property of the payer on the basis that the payer is no longer in arrears. If the payer is no longer in arrears, the title IV-D agency shall terminate the lien in accordance with law.

(10) An entity is not liable under any federal or state law to any person for any disclosure of information to the title IV-D agency under this section or for any other action taken in good faith to comply with the requirements of this section.

552.625c Remedy as cumulative; payer's financial assets held by financial institution; notice of lien and levy; form; notice of withdrawal; release of assets.

Sec. 25c. (1) A remedy provided by this section is cumulative and does not affect the availability of another remedy under this act or other law.

(2) If a payer's financial assets held by a financial institution are subject to a lien under section 25a and an arrearage has accrued in an amount that exceeds 2 times the monthly amount of periodic support payments payable under the payer's support order, the title IV-D agency may levy against the payer's financial assets held by a financial institution. To levy against a payer's financial assets, the title IV-D agency shall serve the financial institution holding the financial assets with a notice of the lien and levy, directing the financial institution to freeze the payer's financial assets held by the financial institution.

(3) The office of child support, in consultation with the state court administrative office, shall create the form that is required for the notice to a financial institution under subsection (2). The form shall include, or provide for inclusion of, at least all of the following:

(a) The levy amount.

(b) Information that enables the financial institution to link the payer with his or her financial assets and to notify the payer.

(c) Information on how to contact the title IV-D agency.

(d) Statements setting forth the rights and responsibilities of the financial institution and payer.

(4) A title IV-D agency may withdraw a levy under this section at any time before the circuit court considers or hears the matter in an action filed under section 25f. The title IV-D agency shall give notice of the withdrawal to the payer and financial institution. Upon receiving notice of a withdrawal of a levy, the financial institution shall release the payer's financial assets by the close of business on 1 of the following days:

(a) If the notice is received before noon, the first business day after the business day on which the notice is received.

(b) If the notice is received at noon or later, the second business day after the business day on which the notice is received.

552.625d Obligation or liability of financial institutions; limitations.

Sec. 25d. (1) A financial institution incurs no obligation or liability to a depositor, account holder, or other person arising from the furnishing of information under sections 25c to 25i or from the failure to disclose to a depositor, account holder, or other person that the person's name as a person with an interest in the financial assets was included in the information provided.

(2) A financial institution incurs no obligation or liability to the title IV-D agency or another person for an error or omission made in good faith compliance with sections 25c to 25i.

(3) A financial institution incurs no obligation or liability for blocking, freezing, placing a hold upon, forwarding, or otherwise dealing with a person's financial assets in response to a lien or levy imposed or information provided under sections 25c to 25i.

(4) A financial institution is not obligated to block, freeze, place a hold upon, forward, or otherwise deal with a person's financial assets until served with the notice of levy in accordance with section 25c. A financial institution that forwards financial assets to the

title IV-D agency in response to a levy under section 25c is discharged from any obligation or liability to the depositor, account holder, or other person with an interest in the financial assets that are forwarded to the title IV-D agency.

552.625e Freeze of payer’s financial assets; execution; notice.

Sec. 25e. (1) When a financial institution receives a notice of levy on a payer’s financial assets held by the financial institution under section 25c, the financial institution shall freeze those financial assets. If the payer’s financial assets held by a financial institution exceed the levy amount, the financial institution shall freeze those financial assets up to the levy amount. A financial institution shall execute the freeze of a payer’s financial assets under this section by the close of business on 1 of the following days:

(a) If the notice is received before noon, the first business day after the business day on which the notice is received.

(b) If the notice is received at noon or later, the second business day after the business day on which the notice is received.

(2) After complying with subsection (1), a financial institution shall give notice of that compliance to the title IV-D agency, the payer, and each other person with an interest in the financial assets as shown in the financial institution’s records. A financial institution’s notice to a payer under this subsection shall include a copy of the title IV-D agency notice to the financial institution.

552.625f Levy on financial assets; challenge; procedures.

Sec. 25f. (1) A payer whose financial assets are levied on under section 25c or a person with an interest in those assets may challenge the levy by submitting a written challenge with the title IV-D agency at the location specified in the title IV-D agency notice. A payer or other person with an interest must submit a written challenge under this section within 21 days after the financial institution sends the payer a copy of the title IV-D agency notice as required by section 25e. A challenge to a levy under section 25c is governed by this act and is not subject to chapter 4 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.271 to 24.287. A payer or other person with an interest who submits a challenge under this subsection may withdraw the challenge at any time by giving notice of the withdrawal to the title IV-D agency.

(2) If the title IV-D agency receives a written challenge from a payer or other person with an interest within the time limit required by subsection (1), the title IV-D agency shall notify the financial institution about the challenge and, within 7 days, shall review the case with the challenger. The title IV-D agency shall consider only a mistake in the payer’s identity or in the amount of the payer’s past due support, or another mistake of fact, as cause to release or modify the levy. If the title IV-D agency determines that a mistake of fact occurred, the title IV-D agency shall do 1 of the following:

(a) If the mistake is the payer’s identity or that the payer does not owe past due support in an amount equal to or greater than 2 times the payer’s monthly support amount under a support order, notify the financial institution and the payer that the levy is released.

(b) If the payer does owe past due support in an amount equal to or greater than 2 times the payer’s monthly support amount under a support order, but the amount in the notice to levy is more than the payer owes, notify the payer of the corrected amount.

(c) If the mistake concerns a fact other than those described in subdivisions (a) and (b), take action appropriate to the mistake.

(3) If the title IV-D agency finds no mistake of fact, the title IV-D agency shall notify the payer or other person with an interest of that finding.

(4) If the payer or other person with an interest disagrees with the title IV-D agency review determination under this section, the payer or other person with an interest may challenge the levy under section 25c by filing an action in the circuit court that issued a support order that is an underlying basis for the levy. A payer or other person with an interest must file an action under this subsection within 21 days after the title IV-D agency sends notice of its review determination and shall give the title IV-D agency notice of the action.

(5) If an action is not filed in the circuit court within the time limit required by subsection (4), the title IV-D agency shall notify the financial institution, directing the financial institution to act in accordance with the title IV-D agency review determination under this section. If an action is filed in the circuit court within the time limit prescribed in subsection (4), the title IV-D agency shall notify the financial institution, directing the financial institution to act in accordance with the court decision.

552.625g Forwarding money by financial institution.

Sec. 25g. (1) A financial institution that receives a notice of levy under section 25c shall forward money in the amount of past due support as stated in the notice, or in the corrected amount if notified of a corrected amount, to the state disbursement unit, along with information necessary to identify the payer as required by the notice.

(2) A financial institution shall forward money as required by subsection (1) no sooner than the next day and no later than the seventh day after 1 of the following takes place:

(a) The financial institution notifies the payer and the title IV-D agency that the payer's financial assets are frozen as required by section 25e and has not received, within 28 days after the day on which the financial institution sent the notices, a notice from the title IV-D agency that the payer or another person with an interest in the financial assets has submitted a challenge to the levy under section 25f.

(b) The financial institution receives, within the time limit prescribed in subdivision (a), a notice from the title IV-D agency that the payer or another person with an interest in the financial assets submitted a challenge to the levy and receives the subsequent title IV-D agency notice required by section 25f, directing the financial institution to act in accordance with either the title IV-D agency review determination or the circuit court decision.

(3) If, in order to forward sufficient money to the SDU, the financial institution must convert 1 or more financial assets to cash, the financial institution shall execute the conversion, assessing a resulting fee or other cost or penalty against the payer. If the payer's financial assets are insufficient to pay the past due support amount plus resulting fees and other costs or penalties, the financial institution may deduct the fees, costs, and penalties before forwarding the balance of the money.

552.625h Circuit court review.

Sec. 25h. (1) If an action is filed in circuit court within the time limit prescribed in section 25f, the circuit court shall review the matter de novo. The action is governed by this section and the Michigan court rules. The circuit court review is not limited to mistakes of fact.

(2) All of the following apply in an action governed by this section:

(a) The circuit court shall only address the issues of the propriety of the levy and whether the levy amount is correct.

(b) The circuit court shall not admit evidence or consider an issue that is related to custody, parenting time, or the amount of support under a support order unless that evidence is related to the levy against a payer's financial assets.

(c) The circuit court shall not modify a support order. A court finding regarding a monthly or past due support amount does not modify the underlying support order.

552.625i Return of forwarded money to payer; reimbursement of fee, cost, or penalty; interest; allocations.

Sec. 25i. (1) If, after a financial institution forwards money to the state disbursement unit, all of the forwarded money is returned to the payer due to a mistake of fact or court order, the title IV-D agency shall reimburse the payer for a fee, cost, or penalty that the financial institution assessed against the payer under section 25g. In addition, the IV-D agency shall compensate the payer for the amount of interest that the financial assets would have earned had they not been converted and forwarded to the SDU, to the extent that the interest can be determined with a reasonable degree of certainty.

(2) If the total amount of past due support the payer owes under all support orders subject to levy under section 25c is more than the amount of money a financial institution forwards the SDU under section 25g, the SDU shall allocate the money among those support orders by multiplying the total amount of money forwarded by the percentages arrived at by dividing the past due support amount under each of those support orders by the total of the past due support amounts under all of those support orders.

552.628 Order to suspend payer's occupational, driver's, or recreational or sporting license; petition by office of friend of the court; circumstances; notice to payer.

Sec. 28. (1) For a friend of the court case, the office of the friend of the court may petition the court for an order to suspend a payer's occupational license, driver's license, or recreational or sporting license, or any combination of the licenses, if all of the following circumstances are true:

(a) An arrearage has accrued in an amount greater than the amount of periodic support payments payable for 2 months under the payer's support order.

(b) The payer holds an occupational license, driver's license, or recreational or sporting license or the payer's occupation requires an occupational license.

(c) An order of income withholding is not applicable or has been unsuccessful in assuring regular payments on the support obligation and regular payments on the arrearage.

(2) An office of the friend of the court shall not file a petition as authorized under subsection (1) unless the office sends the payer a notice that includes all of the following information:

(a) The amount of the arrearage.

(b) That the payer's occupational license, driver's license, or recreational or sporting license, or any combination of the licenses, may be subject to an order of suspension.

(c) That the suspension order will be entered and sent to the licensing agency unless the payer responds by paying the arrearage or requesting a hearing within 21 days after the date of mailing the notice.

(d) That, at the hearing, the payer may do either of the following:

(i) Object to the proposed suspension based on a mistake of fact concerning the overdue support amount or the payer's identity.

(ii) Suggest to the court a schedule for the payment of the arrearage.

(e) That, if the payer believes that the amount of support ordered should be modified due to a change in circumstances, the payer may file a petition with the court for modification of the support order.

Effective date.

Enacting section 1. This amendatory act takes effect December 1, 2002.

Conditional effective date.

Enacting section 2. This amendatory act does not take effect unless House Bill No. 6012 of the 91st Legislature is enacted into law.

This act is ordered to take immediate effect.

Approved October 3, 2002.

Filed with Secretary of State October 3, 2002.

Compiler's note: House Bill No. 6012, referred to in enacting section 2, was filed with the Secretary of State October 3, 2002, and became P.A. 2002, No. 572, Eff. Dec. 1, 2002.

[No. 566]

(HB 6005)

AN ACT to amend 1969 PA 317, entitled "An act to revise and consolidate the laws relating to worker's disability compensation; to increase the administrative efficiency of the adjudicative processes of the worker's compensation system; to improve the qualifications of the persons having adjudicative functions within the worker's compensation system; to prescribe certain powers and duties; to create the board of worker's compensation magistrates and the worker's compensation appellate commission; to create certain other boards; to provide certain procedures for the resolution of claims, including mediation and arbitration; to prescribe certain benefits for persons suffering a personal injury under the act; to prescribe certain limitations on obtaining benefits under the act; to create, and provide for the transfer of, certain funds; to prescribe certain fees; to prescribe certain remedies and penalties; to repeal certain parts of this act on specific dates; and to repeal certain acts and parts of acts," by amending section 230 (MCL 418.230), as amended by 2000 PA 396.

The People of the State of Michigan enact:

418.230 Confidential records; exceptions; power of court to subpoena records not limited; definition.

Sec. 230. (1) Except as otherwise provided in this section, the following records are confidential and exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246:

(a) Records submitted by an individual employer or a group of employers to the bureau in support of an application for self-insured status in the manner provided in section 611.

(b) Information concerning the injury of and benefits paid to an individual worker. This includes, but is not limited to, all forms, records, and reports filed with or maintained by the bureau concerning the injury of or benefits paid to a worker.

(c) Worker's disability compensation insurance policy information submitted to the bureau by an individual employer or group of employers in accordance with section 615 or a notice of issuance of a policy submitted to the bureau by an insurer in accordance with section 625.

(2) The bureau may release, disclose, or publish information described in subsection (1) under the following circumstances:

(a) In the case of subsection (1)(a), (b), or (c), the bureau may disclose or publish aggregate information for statistical or research purposes so long as it is disclosed or published in such a way that the confidentiality of information concerning individual workers and the financial records of individual employers or self-insured employers or insurers is protected. The bureau may also release individual records to a recognized academic or scholarly institution for research purposes if it is provided with sufficient assurance that the outside individual or agency will preserve the confidentiality of information concerning individual workers and the financial records of individual self-insured employers.

(b) In the case of subsection (1)(b), the bureau may release information to another governmental agency if the governmental agency provides the bureau with sufficient assurance that it will preserve the confidentiality of the information. The other agency may use this information to determine the eligibility of an individual for benefits provided or regulated by that agency. The bureau or another agency may disclose the information if it determines that the individual is receiving benefits to which he or she is not entitled as the result of receiving more than 1 benefit at the same time.

(c) Except as otherwise provided, information disclosed in accordance with subdivision (a) or (b) shall continue to be exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(d) In the case of subsection (1)(b), the bureau may release individual records to a nonprofit health care corporation, as defined in section 105 of the nonprofit health care corporation reform act, 1980 PA 350, MCL 550.1105, for the sole purpose of determining financial liability for the payment of benefits provided by the corporation. Any information provided to the nonprofit health care corporation shall be confidential, as provided in section 406 of the nonprofit health care corporation reform act, 1980 PA 350, MCL 550.1406. In a dispute over who assumes liability for the payment of benefits for a particular claim, the nonprofit health care corporation shall initiate payment of benefits pending resolution of the dispute.

(e) In the case of subsection (1)(c), in response to a request that pertains to a specific employer and includes the employer's address and the date of injury of the claim for which the information is requested, the bureau may disclose the name and address of the insurer that, according to the records of the bureau, provided coverage on the date of injury, but shall not disclose the effective date or expiration date of the policy.

(3) The confidentiality provided for in subsection (1) does not apply to records maintained by the bureau that are part of or directly related to a contested case. For the purposes of this subsection, a matter shall be considered a contested case when it is the subject of a request for a formal hearing before the director or an application filed in accordance with section 847.

(4) Any employee is entitled to inspect and obtain a copy of any record maintained by the bureau concerning himself or herself. Any employer is entitled to inspect and obtain a copy of any record maintained by the bureau concerning itself.

(5) The confidentiality provided for in subsection (1)(a) does not apply to the records of a self-insured employer that becomes unable to pay benefits under this act due to insolvency or declaration of bankruptcy.

(6) This section does not limit the power of a court of law to subpoena records relevant to a matter pending before it.

(7) Notwithstanding this section, the bureau shall release information to the IV-D agency in accordance with section 4 of the office of child support act, 1971 PA 174, MCL 400.231 to 400.239. As used in this subsection, “IV-D agency” means that term as defined in section 2 of the support and parenting time enforcement act, 1982 PA 295, MCL 552.602.

Effective date.

Enacting section 1. This amendatory act takes effect December 1, 2002.

This act is ordered to take immediate effect.

Approved October 3, 2002.

Filed with Secretary of State October 3, 2002.

[No. 567]

(HB 6006)

AN ACT to amend 1982 PA 295, entitled “An act to provide for and to supplement statutes that provide for the provisions and enforcement of support, health care, and parenting time orders with respect to divorce, separate maintenance, paternity, child custody and support, and spousal support; to prescribe and authorize certain provisions of those orders; to prescribe the powers and duties of the circuit court and friend of the court; to prescribe certain duties of certain employers and other sources of income; to provide for penalties and remedies; and to repeal acts and parts of acts,” by amending sections 2, 31, 32, 33, and 35 (MCL 552.602, 552.631, 552.632, 552.633, and 552.635), section 2 as amended by 1999 PA 160, sections 31 and 32 as amended by 2000 PA 442, and sections 33 and 35 as amended by 1998 PA 334.

The People of the State of Michigan enact:

552.602 Definitions.

Sec. 2. As used in this act:

(a) “Account” means any of the following:

- (i) A demand deposit account.
- (ii) A draft account.
- (iii) A checking account.
- (iv) A negotiable order of withdrawal account.
- (v) A share account.
- (vi) A savings account.
- (vii) A time savings account.
- (viii) A mutual fund account.
- (ix) A securities brokerage account.

(x) A money market account.

(xi) A retail investment account.

(b) “Account” does not mean any of the following:

(i) A trust.

(ii) An annuity.

(iii) A qualified individual retirement account.

(iv) An account covered by the employee retirement income security act of 1974, Public Law 93-406, 88 Stat. 829.

(v) A pension or retirement plan.

(vi) An insurance policy.

(c) “Address” means the primary address shown on the records of a financial institution used by the financial institution to contact the account holder.

(d) “Cash” means money or the equivalent of money, such as a money order, cashier’s check, or negotiable check or a payment by debit or credit card, which equivalent is accepted as cash by the agency accepting the payment.

(e) “Custody or parenting time order violation” means an individual’s act or failure to act that interferes with a parent’s right to interact with his or her child in the time, place, and manner established in the order that governs custody or parenting time between the parent and the child and to which the individual accused of interfering is subject.

(f) “Department” means the family independence agency.

(g) “Domestic relations matter” means a circuit court proceeding as to child custody or parenting time, or child or spousal support, that arises out of litigation under a statute of this state, including, but not limited to, the following:

(i) 1846 RS 84, MCL 552.1 to 552.45.

(ii) The family support act, 1966 PA 138, MCL 552.451 to 552.459.

(iii) Child custody act of 1970, 1970 PA 91, MCL 722.21 to 722.31.

(iv) 1968 PA 293, MCL 722.1 to 722.6.

(v) The paternity act, 1956 PA 205, MCL 722.711 to 722.730.

(vi) Revised uniform reciprocal enforcement of support act, 1952 PA 8, MCL 780.151 to 780.183.

(vii) Uniform interstate family support act, 1996 PA 310, MCL 552.1101 to 552.1901.

(h) “Driver’s license” means license as that term is defined in section 25 of the Michigan vehicle code, 1949 PA 300, MCL 257.25.

(i) “Employer” means an individual, sole proprietorship, partnership, association, or private or public corporation, the United States or a federal agency, this state or a political subdivision of this state, another state or a political subdivision of another state, or another legal entity that hires and pays an individual for his or her services.

(j) “Financial asset” means a deposit, account, money market fund, stock, bond, or similar instrument.

(k) “Financial institution” means any of the following:

(i) A state or national bank.

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

(iii) A state or federally chartered savings bank.

(iv) A state or federally chartered credit union.

(v) An insurance company.

(vi) An entity that offers any of the following to a resident of this state:

(A) A mutual fund account.

(B) A securities brokerage account.

(C) A money market account.

(D) A retail investment account.

(vii) An entity regulated by the securities and exchange commission that collects funds from the public.

(viii) An entity that is a member of the national association of securities dealers and that collects funds from the public.

(ix) Another entity that collects funds from the public.

(l) “Friend of the court act” means 1982 PA 294, MCL 552.501 to 552.535.

(m) “Friend of the court case” means that term as defined in section 2 of the friend of the court act, MCL 552.502. The term “friend of the court case”, when used in a provision of this act, is not effective until on and after the effective date of section 5a of the friend of the court act, MCL 552.505a.

(n) “Income” means any of the following:

(i) Commissions, earnings, salaries, wages, and other income due or to be due in the future to an individual from his or her employer and successor employers.

(ii) A payment due or to be due in the future to an individual from a profit-sharing plan, a pension plan, an insurance contract, an annuity, social security, unemployment compensation, supplemental unemployment benefits, or worker’s compensation.

(iii) An amount of money that is due to an individual as a debt of another individual, partnership, association, or private or public corporation, the United States or a federal agency, this state or a political subdivision of this state, another state or a political subdivision of another state, or another legal entity that is indebted to the individual.

(o) “Insurer” means an insurer, health maintenance organization, health care corporation, or other group, plan, or entity that provides health care coverage in accordance with any of the following acts:

(i) Public health code, 1978 PA 368, MCL 333.1101 to 333.25211.

(ii) The insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302.

(iii) The nonprofit health care corporation reform act, 1980 PA 350, MCL 550.1101 to 550.1704.

(p) “Medical assistance” means medical assistance as established under title XIX of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396r-6 and 1396r-8 to 1396v.

(q) “Occupational license” means a certificate, registration, or license issued by a state department, bureau, or agency that has regulatory authority over an individual that allows an individual to legally engage in a regulated occupation or that allows the individual to use a specific title in the practice of an occupation, profession, or vocation.

(r) “Office of child support” means the office of child support established in section 2 of the office of child support act, 1971 PA 174, MCL 400.232.

(s) “Office of the friend of the court” means an agency created in section 3 of the friend of the court act, MCL 552.503.

(t) “Order of income withholding” means an order entered by the circuit court providing for the withholding of a payer’s income to enforce a support order under this act.

(u) “Payer” means an individual who is ordered by the circuit court to pay support.

(v) “Person” means an individual, partnership, corporation, association, governmental entity, or other legal entity.

(w) “Plan administrator” means that term as used in relation to a group health plan under section 609 of part 6 of subtitle B of title I of the employee retirement income security act of 1974, Public Law 93-406, 29 U.S.C. 1169, if the health care coverage plan of the individual who is responsible for providing a child with health care coverage is subject to that act.

(x) “Political subdivision” means a county, city, village, township, educational institution, school district, or special district or authority of the state or of a local unit of government.

(y) “Recipient of support” means the following:

(i) The spouse, if the support order orders spousal support.

(ii) The custodial parent or guardian, if the support order orders support for a minor child or a child who is 18 years of age or older.

(iii) The department, if support has been assigned to that department.

(z) “Recreational or sporting license” means a hunting, fishing, or fur harvester’s license issued under the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106, but does not include a commercial fishing license or permit issued under part 473 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.47301 to 324.47362.

(aa) “Referee” means a person who is designated as a referee under the friend of the court act.

(bb) “Source of income” means an employer or successor employer or another individual or entity that owes or will owe income to the payer.

(cc) “State disbursement unit” or “SDU” means the entity established in section 6 of the office of child support act, 1971 PA 174, MCL 400.236.

(dd) “State friend of the court bureau” means that bureau as created in the state court administrative office under section 19 of the friend of the court act, MCL 552.519.

(ee) “Support” means all of the following:

(i) The payment of money for a child or a spouse ordered by the circuit court, whether the order is embodied in an interim, temporary, permanent, or modified order or judgment. Support may include payment of the expenses of medical, dental, and other health care, child care expenses, and educational expenses.

(ii) The payment of money ordered by the circuit court under the paternity act, 1956 PA 205, MCL 722.711 to 722.730, for the necessary expenses incurred by or for the mother in connection with her confinement, for other expenses in connection with the pregnancy of the mother, or for the repayment of genetic testing expenses.

(iii) A surcharge accumulated under section 3a.

(ff) “Support order” means an order entered by the circuit court for the payment of support, whether or not a sum certain.

(gg) “Title IV-D” means part D of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 651 to 655, 656 to 657, 658a to 660, and 663 to 669b.

(hh) “Title IV-D agency” means the agency in this state performing the functions under title IV-D and includes a person performing those functions under contract including an office of the friend of the court or a prosecuting attorney.

(ii) “Work activity” means any of the following:

(i) Unsubsidized employment.

(ii) Subsidized private sector employment.

(iii) Subsidized public sector employment.

(iv) Work experience, including work associated with the refurbishing of publicly assisted housing, if sufficient private sector employment is not available.

(v) On-the-job training.

(vi) Referral to and participation in the work first program prescribed in the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, or other job search and job readiness assistance.

(vii) Community service programs.

(viii) Vocational educational training, not to exceed 12 months with respect to an individual.

(ix) Job skills training directly related to employment.

(x) Education directly related to employment, in the case of an individual who has not received a high school diploma or a certificate of high school equivalency.

(xi) Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of an individual who has not completed secondary school or received such a certificate.

(xii) The provisions of child care services to an individual who is participating in a community service program.

552.631 Failure or refusal to obey and perform support order; civil contempt proceeding; failure to appear; bench warrant; bond or cash deposit; payment and disposition of costs.

Sec. 31. (1) If a person is ordered to pay support under a support order and fails or refuses to obey and perform the order, and if an order of income withholding is inapplicable or unsuccessful, a recipient of support or the office of the friend of the court may commence a civil contempt proceeding by filing in the circuit court a petition for an order to show cause why the delinquent payer should not be held in contempt. If the payer fails to appear in response to an order to show cause, the court shall do 1 or more of the following:

(a) Find the payer in contempt for failure to appear.

(b) Find the payer in contempt for the reasons stated in the motion for the show cause hearing.

(c) Apply an enforcement remedy authorized under this act or the friend of the court act for the nonpayment of support.

(d) Issue a bench warrant for the payer’s arrest requiring that the payer be brought before the court without unnecessary delay for further proceedings in connection with the show cause or contempt proceedings.

(e) Adjourn the hearing.

(f) Dismiss the order to show cause if the court determines that the payer is not in contempt.

(2) In a bench warrant issued under this section, the court shall decree that the payer is subject to arrest if apprehended or detained anywhere in this state and shall require that, upon arrest, unless the payer deposits a cash performance bond in the manner required by section 32, the payer shall remain in custody until the time of the hearing. The court shall specify in the bench warrant the cash performance bond amount. The court shall set the cash performance bond at not less than \$500.00 or 25% of the arrearage, whichever is greater. At its own discretion, the court may set the cash performance bond at an amount up to 100% of the arrearage and add to the amount of the required deposit the amount of the costs the court may require under subsection (3).

(3) If the court issues a bench warrant under this section, except for good cause shown on the record, the court shall order the payer to pay the costs related to the hearing, issuance of the warrant, arrest, and further hearings. Those costs and costs ordered for failure to appear under section 32 or 44 shall be transmitted to the county treasurer for distribution as required in section 2530 of the revised judicature act of 1961, 1961 PA 236, MCL 600.2530.

552.632 Payer arrested under bench warrant; cash performance bond; hearing on order to show cause; form of bond receipt; failure to appear; transmission and deposit of bond; setting aside contempt finding.

Sec. 32. (1) If a bench warrant was issued and the payer is arrested in the county that issued the warrant or another county in this state, the payer shall remain in custody until there is a hearing or the payer posts an adequate cash performance bond. If the payer cannot post the cash performance bond in the amount stated in the bench warrant, the payer is entitled to a hearing within 48 hours, excluding weekends and holidays. The issues to be considered at a hearing required under this subsection are limited to the payer's answer to the order to show cause and, if the payer was found in contempt, to further proceedings related to the payer's contempt. If the hearing is not held as provided in this subsection, the court shall review, based on criteria prescribed in the Michigan court rules, the amount of the cash performance bond to determine an amount that will ensure the payer's appearance and shall set a date for a hearing to be held under subsection (4) within the time limit prescribed in the Michigan court rules.

(2) The officer receiving a cash performance bond under subsection (1) shall give to the arrested payer a receipt for the cash performance bond on a form substantially as follows:

"Date _____

Received from _____ (referred to in this receipt as "the payer") to assure the performance of the payer's support obligation. The payer shall appear for hearing at a date noticed to the payer by the court at the following address:

(address furnished by the payer for receipt of notice)

The hearing is for the payer to answer the show cause order and, if the payer was found in contempt, to further proceedings related to the payer's contempt.

If the payer fails to appear at the time and place indicated in the court's notice, fails to submit to the jurisdiction of the court, and fails to abide by an order of the court, the cash performance bond shall be transmitted to the friend of the court or to the state disbursement unit for payment of the arrearage to the recipient of support and of costs to the court. If the payer appears at the time and place indicated above and the court determines that the payer owes an arrearage under the support order that is the basis of