

(2) The court may award court costs and other expenses of litigation including attorney fees to a party who successfully brings an action pursuant to this section or to a person who successfully defends against an action brought under this section that the court determines is frivolous.

324.40114 Permits and licenses; paraplegics, amputees, and permanently disabled; issuance of permit for certain purposes; suspension, revocation, annulment, withdrawal, recall, cancellation, or amendment of permit; disposition of fees.

Sec. 40114. (1) The department may issue a permit to a person who is unable to walk because the person is a paraplegic or an amputee or because of a disease or injury that has rendered the person permanently disabled. A permit issued under this subsection authorizes the person to take game during the open season for that game, including deer of either sex, from or upon a standing vehicle if that person holds a license to take that game issued pursuant to part 435 and complies with all other laws and rules for the taking of game.

(2) The department may issue a permit to a person who is permanently disabled and who has full use of only 1 arm and who upon investigation is unable to hold, aim, and shoot a bow. A permit issued under this subsection authorizes the person to take game during the open season for that game with a bow that has been modified so that the bow may be held, aimed, and shot with 1 arm, if that person holds a license to take that game issued pursuant to part 435 and complies with all other laws and rules for the taking of game.

(3) In addition, the department may issue permits authorizing 1 or more of the following:

(a) The taking or possession of animals for the purpose of rehabilitating animals.

(b) The taking of animals to prevent or control damage and nuisance caused by the animals.

(c) The collection, transportation, possession, or disposition of animals and parts of animals for scientific purposes.

(d) The public exhibition of animals.

(e) Taxidermy.

(f) The disposition of accidentally or unlawfully taken or injured animals or animals that are unlawfully possessed.

(g) The taking of game with a crossbow by a person who is permanently disabled.

(4) A permit issued under this section may be suspended, revoked, annulled, withdrawn, recalled, canceled, or amended pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. If the holder of a permit is convicted of violating this section, his or her permit or license may be revoked and any animal and the parts of any animal in his or her possession shall be disposed of in a manner approved by the department.

(5) Fees received for permits and licenses issued under this section shall be forwarded by the department to the state treasurer to be credited to the game and fish protection account of the Michigan conservation and recreation legacy fund provided for in section 2010.

324.40119 Reimbursement of state for value of game or protected animal; forfeiture; payment; default as civil contempt; additional time for payment; reduction of amount forfeited; revocation of forfeiture; collection of default in payment; disposition of forfeiture damages.

Sec. 40119. (1) In addition to the penalties provided for violating this part or an order issued under this part, and the penalty provided in section 36507, a person convicted of the

illegal killing, possessing, purchasing, or selling, of game or protected animals, in whole or in part, shall reimburse the state for the value of the game or protected animal as follows:

(a) Bear, elk, hawk, moose, or any animal that appears on a list specified in section 36505, \$1,500.00 per animal.

(b) Deer, owl, and wild turkey, \$1,000.00 per animal.

(c) Other game not listed in subdivision (a) or (b), not less than \$100.00 or more than \$500.00 per animal.

(d) Other protected animals, \$100.00 per animal.

(2) The court in which a conviction for a violation described in subsection (1) is obtained shall order the defendant to forfeit to the state a sum as set forth in subsection (1). If 2 or more defendants are convicted of the illegal killing, possessing, purchasing, or selling, in whole or in part, of game or protected animals listed in subsection (1), the forfeiture prescribed shall be declared against them jointly.

(3) If a defendant fails to pay upon conviction the sum ordered by the court to be forfeited, the court shall either impose a sentence and, as a condition of the sentence, require the defendant to satisfy the forfeiture in the amount prescribed and fix the manner and time of payment, or make a written order permitting the defendant to pay the sum to be forfeited in installments at those times and in those amounts that, in the opinion of the court, the defendant is able to pay.

(4) If a defendant defaults in payment of the sum forfeited or of an installment, the court on motion of the department or upon its own motion may require the defendant to show cause why the default should not be treated as a civil contempt, and the court may issue a summons or warrant of arrest for his or her appearance. Unless the defendant shows that the default was not due to an intentional refusal to obey the order of the court or to a failure to make a good faith effort to obtain the funds required for the payment, the court shall find that the default constitutes a civil contempt.

(5) If it appears that the defendant's default in the payment of the forfeiture does not constitute civil contempt, the court may enter an order allowing the defendant additional time for payment, reducing the amount of the forfeiture or of each installment, or revoking the forfeiture or the unpaid portion of the forfeiture, in whole or in part.

(6) A default in the payment of the forfeiture or an installment payment may be collected by any means authorized for the enforcement of a judgment under chapter 60 of the revised judicature act of 1961, 1961 PA 236, MCL 600.6001 to 600.6098.

(7) A court receiving forfeiture damages shall remit the damages to the county treasurer, who shall deposit the damages with the state treasurer, who shall deposit the damages in the game and fish protection account of the Michigan conservation and recreation legacy fund provided for in section 2010.

324.41711 License fees; credit to game and fish protection account.

Sec. 41711. All money received from the sale of licenses and tags or seals as provided in this part shall be deposited in the state treasury to the credit of the game and fish protection account of the Michigan conservation and recreation legacy fund provided for in section 2010.

324.42506 Money received from sale of licenses; credit to game and fish protection account; use.

Sec. 42506. All money received from the sale of licenses as provided in this part shall be forwarded to the state treasurer and placed to the credit of the game and fish protection

account of the Michigan conservation and recreation legacy fund provided for in section 2010, and shall be used for the purpose necessary to the protection, propagation, and distribution of game and fur-bearing animals as provided by law.

324.42712 Disposition of money.

Sec. 42712. All money received from the sale of licenses under this part shall be credited to the game and fish protection account of the Michigan conservation and recreation legacy fund provided for in section 2010.

324.43504 Definitions.

Sec. 43504. As used in this part:

- (a) “Game” has the meaning given that term in part 401.
- (b) “Game and fish protection account” means the game and fish protection account of the Michigan conservation and recreation legacy fund provided for in section 2010.
- (c) “Wildlife and fisheries” includes any member of the wild animal kingdom, including any mammal, bird, fish, reptile, amphibian, or invertebrate found in this state at any point in its natural life cycle.

324.43546 Senior hunting and fishing licenses; appropriating sum equal to fees not collected; crediting appropriation to game and fish protection account.

Sec. 43546. (1) Before June 1 of each year, the department shall determine the total number of senior hunting and fishing licenses issued and the total fees collected the preceding license year. The department shall determine the total fees that would have been collected if those senior citizens had been required to purchase full-price resident hunting and fishing licenses during the preceding license year. From this total, the department shall subtract the fees collected from the sale of senior hunting and fishing licenses during the preceding license year. The difference is the amount that would otherwise be collected.

(2) The legislature shall annually appropriate from the general fund a sum equal to the fees that would otherwise be collected as determined pursuant to subsection (1). The sum appropriated shall be credited to the game and fish protection account.

324.43553 Disposition of money received from sale of passbooks and licenses; payments; grants; youth hunting and fishing education and outreach fund; annual report.

Sec. 43553. (1) The department shall transmit all money received from the sale of licenses to the state treasurer, together with a statement indicating the amount of money received and the source of the money.

(2) Except as provided in section 43555 and subsection (5), the state treasurer shall credit the money received from the sale of passbooks and licenses to the game and fish protection account.

(3) Except as provided in sections 43524, 43525, and 43554 and subsection (4), money credited to the game and fish protection account shall be paid out by the state treasurer pursuant to the accounting laws of this state for the following purposes:

(a) Services rendered by the department, together with the expenses incurred in the enforcement and administration of the wildlife and fisheries laws of the state, including the necessary equipment and apparatus incident to the operation and enforcement of the

wildlife and fisheries laws, and the protection, propagation, distribution, and control of wildlife and fish.

(b) The propagation and liberation of wildlife or fish and for their increase at the time, place, and manner as the department considers advisable.

(c) The purchase, lease, and management of lands, together with the necessary equipment for the purpose of propagating and rearing wildlife or fish, and for establishing and maintaining game refuges, wildlife sanctuaries, and public shooting and fishing grounds.

(d) Conducting investigations and compiling and publishing information relative to the propagation, protection, and conservation of wildlife.

(e) Delivering lectures, developing cooperation, and carrying on appropriate educational activities relating to the conservation of the wildlife of this state.

(4) The department may make direct grants to colleges and universities in this state, out of funds appropriated from the game and fish protection account, to conduct fish or wildlife research or both fish and wildlife research.

(5) The youth hunting and fishing education and outreach fund is created as a separate fund in the department of treasury. The state treasurer shall credit to the youth hunting and fishing education and outreach fund the money received from the sale of small game licenses and all-species fishing licenses under sections 43523 and 43532, respectively, to persons who are under 17 years of age. Money in the youth hunting and fishing education and outreach fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund.

(6) Money credited to the youth hunting and fishing education and outreach fund shall be paid out by the state treasurer pursuant to the accounting laws of this state for hunting and fishing education and outreach programs for youth under 17 years of age.

(7) The department and any other executive department of the state that receives money from the game and fish protection account or the youth hunting and fishing education and outreach fund shall submit an annual report to the legislature showing the amount of money received by the department or other executive department from the game and fish protection account or the youth hunting and fishing education and outreach fund and how that money was spent. An executive department required to submit a report as provided in this subsection shall send a copy of the report to the legislature and to the department.

324.43556 Hunter access leases on private land; lease payments; control of hunter access by participating landowners; cancellation of lease agreement; forfeiture of lease payments; posting boundaries of leased land; cause of action for injuries; orders.

Sec. 43556. (1) The department may utilize the game and fish protection account for the purpose of acquiring and administering hunter access leases on private land.

(2) The department may determine and provide lease payments in amounts that are related to the benefits the leased land provides for public use if for a designated lease period a participating landowner agrees to allow public access to certain lands for the purpose of hunting. Department field personnel shall inspect the lands and determine their value to the program. Final approval of lease proposals shall be made by the department.

(3) Participating landowners have authority to control hunter access according to the terms of the lease agreement, including terms requiring a hunter to obtain verbal or written permission to hunt on the participating landowners' land.

(4) Pursuant to rules adopted under this section, participating landowners may cancel their lease agreement at any time prior to the expiration of the lease. Cancellation of the agreement prior to the expiration of the lease shall result in the forfeiture of all lease payments that have been received by the participating landowner for the year in which cancellation occurs.

(5) Participating landowners shall post, with signs provided by the department, the boundaries of land leased under this section.

(6) A cause of action shall not arise for injuries to persons hunting on lands leased under this section unless the injuries were caused by the gross negligence or willful and wanton misconduct of the owner, tenant, or lessee.

(7) The department may issue orders pursuant to part 401 governing the administration and operation of a hunting access program.

324.43557 License application lists, information, and publications; sale; price; disposition of proceeds.

Sec. 43557. The department may sell, or contract for the sale of, license application lists or information filed with the department pursuant to this part and related publications of the department. The department shall establish the price for the lists, information, and publications, and the proceeds of all sales pursuant to this section shall be credited to the game and fish protection account in the manner prescribed in section 43553.

PART 437 MICHIGAN GAME AND FISH PROTECTION TRUST FUND

324.43701 Definitions.

Sec. 43701. As used in this part:

(a) “Game and fish protection account” means the game and fish protection account of the Michigan conservation and recreation legacy fund provided for in section 2010.

(b) “Gas” means a mixture of hydrocarbons and nonhydrocarbons in a gaseous state which may or may not be associated with oil and includes liquids resulting from the condensation of those hydrocarbons and nonhydrocarbons.

(c) “Mineral” means an inorganic substance that can be extracted from the earth, except for oil or gas, and includes rock, metal ores, and mineral water.

(d) “Oil” means natural crude oil or petroleum and other hydrocarbons, regardless of gravity, which are produced at the well in liquid form by ordinary production methods and which are not the result of condensation of gas after it leaves the underground reservoir.

(e) “Trust fund” means the Michigan game and fish protection trust fund established in section 41 of article IX of the state constitution of 1963 and provided for in section 43702.

324.43702 Michigan game and fish protection trust fund; establishment; composition.

Sec. 43702. In accordance with section 41 of article IX of the state constitution of 1963, the Michigan game and fish protection trust fund is established in the state treasury. The trust fund shall consist of all of the following:

(a) All assets of the game and fish protection trust fund immediately prior to the effective date of the amendatory act that added section 2001.

(b) Bonuses, rentals, delayed rentals, royalties, and other revenues collected or reserved by the state under leases or direct sale contracts in effect on or after April 7, 1986, entered into by the state pursuant to section 502, 503, or 33936 or section 12 of former 1909 PA 280,

or any other law enacted for leasing for the purpose of permitting extraction or removal of minerals, coal, oil, gas, or other resources from state owned lands, if these bonuses, rentals, delayed rentals, royalties, direct sale proceeds, and other revenues accrue from lands acquired by the state using revenues derived from the game and fish protection account, the game and fish protection trust account created in section 4 of the Kammer recreational land trust fund act of 1976, former 1976 PA 204, federal funds made available to the state under 16 USC 669 to 669i, commonly known as the federal aid in wildlife restoration act, or 16 USC 777 to 777l, commonly known as the federal aid in fish restoration act, or related state or federal funds.

- (c) Gifts, grants, bequests or assets from any source.
- (d) Other revenues as authorized by law.
- (e) Interest and earnings accruing from assets of the trust fund.

324.43703 Transfer of interest and earnings; manner of maintaining corpus of trust fund; transfer of funds.

Sec. 43703. (1) The state treasurer shall transfer the interest and earnings from the trust fund to the game and fish protection account.

(2) Subject to subsection (3), the corpus of the trust fund shall be maintained by the state treasurer in a manner that will provide for future transfers to the game and fish protection account from the trust fund's interest and earnings.

(3) The legislature may annually appropriate and transfer not more than \$6,000,000.00 from the corpus of the trust fund to the game and fish protection account.

PART 439 MICHIGAN NONGAME FISH AND WILDLIFE TRUST FUND

324.43901 Definitions.

Sec. 43901. As used in this part:

(a) "Nongame fish and wildlife" means fish or wild animals that are unconfined and not ordinarily taken for sport, fur, or food, and the habitat that supports them. However, nongame fish and wildlife includes fish and wild animals designated as game species when located in an area of this state where the taking of that species of fish or wild animal is prohibited.

(b) "Trust fund" means the Michigan nongame fish and wildlife trust fund established in section 42 of article IX of the state constitution of 1963 and provided for in section 43902.

324.43902 Michigan nongame fish and wildlife trust fund; establishment; composition; investment; annual report.

Sec. 43902. (1) In accordance with section 42 of article IX of the state constitution of 1963, the Michigan nongame fish and wildlife trust fund is established in the state treasury. The trust fund shall consist of all of the following:

(a) All assets of the nongame fish and wildlife trust fund immediately prior to the effective date of the amendatory act that added section 2001, which money is hereby transferred to the Michigan nongame fish and wildlife trust fund.

(b) All money credited to the trust fund pursuant to section 439 of the income tax act of 1967, 1967 PA 281, MCL 206.439, and section 811l of the Michigan vehicle code, 1949 PA 300, MCL 257.811l.

- (c) Gifts, grants, bequests, or assets from any source.
- (d) Other revenues as authorized by law.

(e) Interest and earnings accruing from assets of the Michigan nongame fish and wildlife trust fund.

(2) The state treasurer shall direct the investment of the trust fund. The state treasurer shall have the same authority to invest the assets of the trust fund as is granted to an investment fiduciary under the public employee retirement system investment act, 1965 PA 314, MCL 38.1132 to 38.1140l.

(3) The department shall annually prepare a report containing an accounting of revenues and expenditures from the trust fund. This report shall identify the interest and earnings of the trust fund from the previous year, the investment performance of the trust fund during the previous year, and the total amount of appropriations from the trust fund during the previous year. This report shall be provided to the senate and house of representatives appropriations committees and the standing committees of the senate and house of representatives with jurisdiction over issues pertaining to natural resources and the environment.

324.43903 Retention of certain money in trust fund on permanent basis; expenditures.

Sec. 43903. (1) The Michigan nongame fish and wildlife trust fund shall maintain a principal balance of not less than \$6,000,000.00, which shall be retained in the trust fund on a permanent basis.

(2) The interest and earnings of the trust fund and any money not otherwise retained on a permanent basis under subsection (1) shall be expended for the purposes of implementing the management plan described in section 43904. In implementing the management plan described in section 43904, the department may expend money from the Michigan nongame fish and wildlife trust fund for grants to state colleges and universities.

324.44104 Game and fish lifetime license trust fund; creation; purpose; crediting money received; investment of trust fund.

Sec. 44104. (1) The game and fish lifetime license trust fund is created within the state treasury for the benefit of the people of this state to assist in providing adequate long-term funding for the game and fish protection account of the Michigan conservation and recreation legacy fund provided for in section 2010.

(2) The state treasurer shall credit money received from the sale of lifetime hunting and fishing licenses under this part to the trust fund.

(3) The state treasurer shall invest the trust fund in the same manner as surplus funds are invested.

324.44105 Maintenance and investment of corpus, interest, and earnings of trust fund; crediting certain amount to game and fish protection account.

Sec. 44105. (1) Except as otherwise provided in subsection (2), the corpus of the trust fund and the interest and earnings of the trust fund shall be maintained and invested by the state treasurer as provided in section 44104.

(2) For each lifetime license issued under this part, the state treasurer shall credit annually to the game and fish protection account of the Michigan conservation and recreation legacy fund provided for in section 2010 from the accumulated interest and earnings of the trust fund, and from the corpus of the trust fund if the accumulated interest and earnings of the trust fund are insufficient, that amount of money that the department would have received had the holder of the lifetime license purchased the

equivalent annual license during the license year. For a comprehensive lifetime hunting and fishing license, the equivalent annual license for purposes of calculations required by this section shall be the annual sportsperson license available pursuant to section 43521.

324.44501 Definitions.

Sec. 44501. As used in this part:

(a) “Boat livery” means either of the following:

(i) A place of business or any location where a person rents or leases any vessel to the general public for noncommercial use on the waters of this state.

(ii) A place where a person offers cabins, cottages, motel rooms, hotel rooms, or other similar rental or leased units where a vessel is furnished for the use of the person renting or leasing the unit, but does not include a single privately owned cabin or cottage leased or rented to another where a vessel is furnished for the use of the person renting or leasing the unit.

(b) “Carrying passengers for hire” or “carry passengers for hire” means the transporting of any person on a vessel for consideration regardless of whether the consideration is directly or indirectly paid to the owner of the vessel, the owner’s agent, the operator of the vessel, or any other person who holds any interest in the vessel.

(c) “Charter boat” means a vessel that is rented or leased or offered for rent or lease to carry passengers for hire if the owner or the owner’s agent retains possession, command, and control of the vessel.

(d) “Class A vessel” means a vessel, except a sailboat, that carries for hire on navigable waters not more than 6 passengers.

(e) “Class B vessel” means a vessel, except a sailboat, that carries for hire on inland waters not more than 6 passengers.

(f) “Class C vessel” means a vessel, except a sailboat, that carries for hire on inland waters more than 6 passengers.

(g) “Class D vessel” means a vessel that is propelled primarily by a sail or sails and carries for hire on navigable waters not more than 6 passengers or carries passengers for hire on inland waters.

(h) “Class E vessel” means a vessel that carries not more than 6 passengers for hire and meets either of the following requirements:

(i) Is utilized primarily as a river-drift boat that is propelled primarily by hand.

(ii) Is a vessel that is 18 feet or less in length operated primarily on a river or tributary to the Great Lakes, Lake St. Clair, or their connecting waterways.

(i) “Equipment” means a system, part, or component of a vessel as originally manufactured, or a system, part, or component manufactured or sold for replacement, repair, or improvement of a system, part, or component of a vessel; an accessory or equipment for, or appurtenance to, a vessel; or a marine safety article, accessory, or equipment intended for use by a person on board a vessel; but does not include radio equipment.

(j) “Inland waters” means all waters of this state, except navigable waters.

(k) “Livery boat” means a vessel which is offered for rent or lease by the boat livery or boat owner or his or her agent or is rented or leased from a boat livery or a boat owner or his or her agent and the boat livery or boat owner or his or her agent relinquishes complete physical control of the vessel to the renter or lessee, except the boat livery or owner retains legal title to the vessel.

(l) “Navigable waters” means those waters of the state over which this state and the United States coast guard exercise concurrent jurisdiction, including the Great Lakes and

waters connected to the Great Lakes, to the upstream limit of navigation as determined by the United States department of the army corps of engineers.

(m) “Operate” means to start any propulsion engine or to physically control the motion, direction, or speed of a vessel.

(n) “Owner” means a person who claims lawful possession of a vessel by virtue of legal title or an equitable interest in a vessel that entitles that person to possession of the vessel.

(o) “Passenger” means a person carried on board a charter boat except either of the following:

(i) The owner of the vessel or the owner’s agent.

(ii) The pilot and members of the crew of the vessel who have not contributed consideration for their transportation either before, during, or after the voyage.

(p) “Peace officer” means every sheriff or sheriff’s deputy; village or township marshal; officer of the police department of any city, village, or township; any officer of the Michigan state police; or any other police officer or law enforcement officer who is trained and certified pursuant to the commission on law enforcement standards act, 1965 PA 203, MCL 28.601 to 28.616, and includes the director and conservation officers employed by the department.

(q) “Personal watercraft” means a vessel that meets all of the following requirements:

(i) Uses a motor-driven propeller or an internal combustion engine powering a water jet pump as its primary source of propulsion.

(ii) Is designed without an open load carrying area that would retain water.

(iii) Is designed to be operated by 1 or more persons positioned on, rather than within, the confines of the hull.

(r) “Pilot’s license” means a vessel operator’s license issued by the United States coast guard or other federal agency, or a license issued by the department to an operator of a charter boat that is operated on inland waters.

(s) “Training or instructional purposes” means the teaching of any person in the handling and navigation of a vessel or the techniques of waterskiing.

(t) “Vessel” means every description of watercraft, other than a seaplane, used or capable of being used as a means of transportation on water irrespective of the method of operation or propulsion.

(u) “Waters of the state” means any waters within the territorial limits of this state and includes those waters of the Great Lakes which are under the jurisdiction of this state.

(v) “Waterways account” means the waterways account of the Michigan conservation and recreation legacy fund provided for in section 2035.

324.44511 Application for charter boat inspection or state pilot’s examination; filing; fee; form; furnishing required information; false information; signature as certification of true and correct information; inspection fee schedules for dry dock and dockside inspection; inspection without fee or for reduced fee; examination fee for state pilot’s license; forfeiture of application fee; disposition and use of inspection fees.

Sec. 44511. (1) The owner of a charter boat required to be inspected under this part and a person required to be licensed as a state pilot under this part shall file an application

with the required fee for the charter boat inspection or the state pilot’s examination with the department on a form prescribed and furnished by the department. Persons applying for a certificate of inspection or a state pilot’s license shall furnish information reasonably required by the department. A person shall not file an application for charter boat inspection or state pilot’s examination that contains false information. A person filing an application shall certify by the person’s signature that the information furnished on the application is true and correct.

(2) The owner of a charter boat, or livery boat as provided for under section 44517, which has never been inspected shall pay to the department an inspection fee for dry dock and dockside inspection according to the following schedule:

(a) Class A and D vessels	\$250.00
(b) Class B vessels	\$120.00
(c) Class C vessels	\$350.00

(3) Beginning on April 1, 1987, for each required dry dock or dockside inspection of a charter boat, or livery boat as provided for under section 44517, other than an inspection under subsection (2), the owner shall pay the department a fee according to the following schedule:

(a) Class A and D vessels	
(i) Dockside inspection	\$100.00
(ii) Dry dock inspection	\$150.00
(b) Class B vessels	
(i) Dockside inspection	\$ 60.00
(ii) Dry dock inspection	\$ 60.00
(c) Class C vessels	
(i) Dockside inspection	\$150.00
(ii) Dry dock inspection	\$200.00

(4) When the department inspects any charter boat, or livery boat as provided for under section 44517, at an interval other than as required by this part, the inspection shall be conducted without an inspection fee for a dockside inspection and for a reduced fee to be determined by the department for a dry dock inspection. When a 24-month dockside inspection and a 72-month dry dock inspection are required in the same year, the owner shall only pay the fee for the dry dock inspection, as provided in subsection (3).

(5) For each examination of a person for a state pilot’s license, the applicant shall pay a fee of \$30.00 to the department.

(6) The charter boat inspection fee or state pilot’s license examination fee shall be forfeited to the department and credited to the marine safety fund if the owner of the charter boat or the applicant for a state pilot’s license fails to keep an appointment, which has been mutually agreed upon between the owner or the applicant and the department, for an inspection or reinspection of the charter boat or a state pilot’s license examination, without first notifying the inspecting officer or the department’s marine safety section within the department’s law enforcement division at least 24 hours prior to the scheduled appointment. Upon the forfeiture of an application fee, the owner of the charter boat or the applicant for a state pilot’s license must submit a new application and the required fee before the department shall conduct any inspection of the charter boat or conduct any examination of the applicant for a state pilot’s license.

(7) Except as otherwise provided in section 44517, the revenue received for inspection fees under this section shall be deposited in the state treasury to the credit of the

waterways account and shall only be used to pay for inspections required by this part, and to maintain the education and enforcement program provided for in section 44513(2). The revenue division of the department of treasury shall annually provide to the department an accurate total of revenue collected and shall annually credit that amount to the waterways account.

324.44518 Affixing inspection decal, plate, or tab to livery boat; information; amount, disposition, and use of fees.

Sec. 44518. (1) An inspecting officer, designated by the department, shall affix or cause to be affixed to each and every livery boat that meets the minimum safety standards established under rules promulgated under this part an inspection decal, plate, or tab furnished by the department which bears all of the following information:

- (a) The maximum number of persons permitted to be carried aboard the vessel.
- (b) The maximum horsepower of a motor permitted to be used on the vessel.
- (c) Other information as the department may reasonably require.

(2) Each boat livery owner shall pay a fee of \$2.00 to the inspecting officer for each decal, plate, or tab affixed to the livery boats. The inspecting officer shall forward all fees collected under this subsection to the treasurer of the county in which the fee is collected to be credited for the purpose of reimbursing the sheriff's department for expenses incurred pursuant to this part. If the inspecting officer is a conservation officer, fees collected under this section shall be forwarded to the department of treasury to be credited to the waterways account.

324.45705 Applications and licenses; record; receipts; disposition; "nonresident" defined.

Sec. 45705. The department shall keep a record of all applications and licenses issued and on the first day of each month shall pay to the state treasurer all money received for the sale of licenses issued under this part, and the money shall be credited to the game and fish protection account of the Michigan conservation and recreation legacy fund provided for in section 2010 and shall be disbursed by the state treasurer for services of the department and for the department's expenses in enforcing this part and the game and fish laws of this state, for propagation, and for biological investigations and such other investigations as may be necessary. For the purposes of this part, a nonresident of this state is a person who has not resided within this state for a period of at least 6 consecutive months immediately prior to the time application is made for a license under this part.

324.45907 License fees; crediting game and fish protection account.

Sec. 45907. All money received from the sale of licenses provided for in this part shall be paid over to the state treasurer and shall be credited by the state treasurer to the game and fish protection account of the Michigan conservation and recreation legacy fund provided for in section 2010.

324.47303 Fish and game protection account; receipts; use.

Sec. 47303. The department shall provide financial remuneration to the state for fish taken for commercial purposes by collection from the licensee of not more than 5% of the price received by the licensee. Money received shall be credited to the game and fish protection account of the Michigan conservation and recreation legacy fund provided for in section 2010 to be used in the development and management of the fisheries resource.

324.47332 Licenses; expiration date; record of applications and licenses; disposition of fees.

Sec. 47332. All licenses expire on December 31 in the calendar year for which they were issued. The department shall keep a record of all applications and licenses. On the first day of each month, the department shall pay over to the state treasurer all money received by the department under this part, and the money shall be credited to the game and fish protection account of the Michigan conservation and recreation legacy fund provided for in section 2010 and shall be disbursed by the state treasurer for services of the department and the department's expenses in enforcing the commercial fishing laws, for the protection and propagation of fish, and for the purchase of patrol boats and other apparatus to be used for that purpose, and as otherwise provided by law.

324.48737 Sale of licenses and stamps; disposition of proceeds.

Sec. 48737. All money collected from the sale of licenses and stamps as provided in this part shall be paid over to the state treasurer by the department and held to the credit of the game and fish protection account of the Michigan conservation and recreation legacy fund provided for in section 2010, and shall be used for the purposes necessary to the protection, propagation, and distribution of fish and game and as otherwise provided by law.

324.48740 Additional penalties; forfeitures; probation; default; disposition of forfeitures.

Sec. 48740. (1) In addition to the penalties provided in this part, a person convicted of taking game fish during a closed season; taking or possessing game fish in excess of lawful limits; taking game fish or nongame fish by use of an unlawful device; or buying or selling game fish, nongame fish, or any parts of game or nongame fish taken by use of an unlawful device shall forfeit to the state for the fish unlawfully taken or possessed as follows:

(a) For each game fish other than sturgeon, of an individual weight of 1 pound or more, \$10.00 for each pound or fraction of a pound of fish illegally taken or possessed.

(b) For each game fish other than sturgeon, of an individual weight of less than 1 pound, \$10.00 for each fish illegally taken or possessed.

(c) For sturgeon, \$1,500.00 for each fish illegally taken or possessed.

(d) For each nongame fish, \$5.00 for each pound or fraction of a pound of fish illegally taken or possessed.

(2) In every conviction for a violation described in subsection (1), the court before which the conviction is obtained shall order the defendant to forfeit to the state the sums provided in subsection (1). If 2 or more defendants are convicted of the illegal taking or possession of the fish, the forfeiture shall be declared against them jointly and severally.

(3) If a defendant fails to pay the sums forfeited for a violation of subsection (1), upon conviction, the court shall either impose a sentence of probation, and as a condition of sentence require the defendant to satisfy the forfeiture in the amount prescribed and fix the manner and time of payment, or make a written order permitting the defendant to pay the forfeited sums in installments at the times and in the amounts as the court determines the defendant is able to pay.

(4) A default in the payment of forfeiture or an installment of the forfeiture may be collected by any means authorized for the enforcement of a judgment under chapter 60 of the revised judicature act of 1961, 1961 PA 236, MCL 600.6001 to 600.6098.

(5) All courts collecting forfeitures as provided in this section shall promptly remit the forfeiture to the county treasurer, who shall transmit it to the state treasurer to be

credited to the game and fish protection account of the Michigan conservation and recreation legacy fund provided for in section 2010.

324.64108 Peat resource conservation and development fund; creation; deposits.

Sec. 64108. (1) The peat resource conservation and development fund is created in the state treasury.

(2) Subject to subsections (3) and (4), the following shall be deposited in the peat resource conservation and development fund:

(a) Money received by the state under contracts for the taking of peat.

(b) The fees imposed under this part.

(3) Money received by the state under contracts for taking of peat from state owned lands acquired with game and fish protection funds shall be deposited in the game and fish protection account of the Michigan conservation and recreation legacy fund provided for in section 2010.

(4) If the money in the fund exceeds \$250,000.00 at the end of a state fiscal year, the excess shall be deposited in the Michigan natural resources trust fund created in section 35 of article IX of the state constitution of 1963 and provided for in section 1902 or as otherwise provided by law.

PART 711 RECREATION IMPROVEMENT ACCOUNT

324.71101 Definitions.

Sec. 71101. As used in this part:

(a) “Associated facilities” means restrooms, shelters, campgrounds, and parking lots directly related to trails or waterways projects.

(b) “Off-road vehicle” means ORV as it is defined in part 811, which is required to be registered under part 811.

(c) “Off-road vehicle account” means the off-road vehicle account of the Michigan conservation and recreation legacy fund provided for in section 2015.

(d) “Recreation improvement account” means the recreation improvement account of the Michigan conservation and recreation legacy fund provided for in section 2020.

(e) “Recreational projects” means, in addition to the activities provided for in this part, the construction, maintenance, and operation of trails and associated facilities that may be used by off-road vehicles, cross-country skiers, horseback riders, and hikers, and inland lake cleanup grants as provided by part 309.

(f) “Snowmobile account” means the snowmobile account of the Michigan conservation and recreation legacy fund provided for in section 2025.

(g) “Vessel” means all watercraft except the following:

(i) Watercraft used for commercial fishing.

(ii) Watercraft used by the sea scout department of the boy scouts of America chiefly for training scouts in seamanship.

(iii) Watercraft owned by this state, any political subdivision of this state, or the federal government.

(iv) Watercraft when used in interstate or foreign commerce and watercraft used or owned by any railroad company or railroad car ferry company.

(v) Watercraft when used in trade, including watercraft when used in connection with an activity that constitutes a person's chief business or means of livelihood.

(h) "Watercraft" means any contrivance that is used or designed for navigation on water, including, but not limited to, any vessel, ship, boat, motor vessel, steam vessel, vessel operated by machinery, motorboat, sailboat, barge, scow, tugboat, and rowboat, but does not include watercraft used or owned by the United States.

(i) "Waterways account" means the waterways account of the Michigan conservation and recreation legacy fund provided for in section 2035.

324.71106 Total of taxes collected; determining revenue derived.

Sec. 71106. The department of treasury shall annually present to the department an accurate total of all the gasoline taxes collected and shall determine the amount of revenue derived from them. The department of treasury shall determine the portion of these revenues derived from the sale of gasoline as described in section 71102 by multiplying the total by 2.0% and shall credit this amount to the recreation improvement account, less a deduction for collection costs and refunds.

324.71108 Annual review and recommendations; distribution and use of account.

Sec. 71108. (1) The state treasurer shall annually review and make recommendations to the legislature on the distributions of the recreation improvement account, including recreational projects and geographic locations.

(2) Money in the recreation improvement account shall be distributed as follows:

(a) Eighty percent of the money shall be annually transferred to the waterways account.

(b) Fourteen percent of the money shall be annually transferred to the snowmobile account.

(c) The remainder of the money that is not transferred under subdivisions (a) and (b) shall be used, upon appropriation, for recreation projects and for the administration of the recreation improvement account. Of the money credited to recreational projects in a fiscal year, not less than 25% shall be expended on projects to repair damages as a result of pollution, impairment, or destruction of air, water, or other natural resources, or the public trust in air, water, or other natural resources, as a result of the use of off-road vehicles.

324.74101 Definitions.

Sec. 74101. As used in this part:

(a) "Committee" means the citizens committee for Michigan state parks created in section 74102a.

(b) "Improvement program" means the construction, reconstruction, development, improvement, bettering, operating, maintaining, and extending a facility at a state park, including a site improvement, impoundment, road and parking lot, toilet building, concession building, shelter building, bathhouse, utility, outdoor center, visitor service facility, ski area, ski tow, ski shelter, and administration unit.

(c) "Motor vehicle" means a vehicle that is self-propelled.

(d) "State park" means a state park or state recreation area designated by the director.

(e) “State park improvement account” means the state park improvement account of the Michigan conservation and recreation legacy fund provided for in section 2030.

(f) “State park revenues” means all revenues collected for state parks, including but not limited to, motor vehicle permits, concession fees, nonmotorized trail permits, fees, leases, camping fees, sale of farm animals from Maybury state park, donations, and gifts.

324.74108 Resolution authorizing issuance of bonds; contents.

Sec. 74108. A resolution adopted by the commission authorizing the issuance of bonds shall contain all of the following:

(a) A description in reasonable detail of the improvement program as approved by the legislature, for which the bonds are to be issued.

(b) The form of the bonds and all of the following:

(i) The maturity date or dates for the bonds with no maturity later than 30 years after the issuance of the bonds.

(ii) The principal amount of and principal payment dates for the bonds.

(iii) The interest rate or rates for the bonds or that bonds shall not bear any interest.

(iv) The redemption provisions, with or without premium, for the bonds, if any.

(v) The authorized denominations for the bonds.

(vi) Whether the bonds may be sold at a discount or for a premium.

(vii) The manner in which the bonds will be executed.

(viii) Any other provision concerning the bonds or the security for the bonds the commission considers appropriate.

(c) A provision that the state park revenues shall be pledged for the payment of the bonds. However, the pledge of state park revenues shall be on a parity with pledges of the revenues previously or subsequently made by the commission pursuant to any other resolution authorizing the issuance of bonds under this part and the resolution shall state that the pledge complies with this subdivision.

(d) A covenant that the park permit fees and penalties provided in section 74117 shall be revised from time to time within the limits permitted by law when necessary to ensure that the revenues to be derived from the fees shall be sufficient to pay the principal of and interest on bonds issued pursuant to this part and other obligations of the commission in connection with the issuance of bonds.

(e) A provision requiring the fiscal agent to set aside money from the state park revenue bond receiving fund into a fund to be designated as the state park debt service fund in a sum proportionately sufficient to provide for the payment of the principal of and interest upon all bonds payable from the fund as and when the principal and interest becomes due and payable in the manner prescribed by the commission. In addition the resolution shall authorize the commission to provide that a reasonable excess amount may be set aside by the fiscal agent from time to time as directed by the commission in the state park debt service fund to produce and provide a reserve to meet a possible future deficiency in the fund. The resolution shall further provide that out of the revenues remaining each quarter, after having first met the requirements of the state park debt service fund, including the reserve for the fund, the commission may by direction to the fiscal agent next set aside additional money in the state park debt service fund for the purpose of calling bonds for redemption, subject to approval by the state administrative board. The resolution shall also contain a provision for the investment of funds held by the fiscal agent.

(f) A provision that money on deposit in the state park revenue bond receiving fund after setting aside the amounts in the state park debt service fund is surplus money, and shall be deposited quarterly by the fiscal agent upon the order of the commission in the state treasury in the state park improvement account. Money in the state park improvement account shall be used only for the improvement, operation, and maintenance of state parks and recreation areas and for the administration of the state park improvement account. Not less than \$10.00 of each annual permit and not less than \$2.00 of each daily permit projected to be sold in a fiscal year may be appropriated from the state park improvement account for the maintenance and operation of state parks and recreation areas in that fiscal year.

(g) The terms and conditions under which additional bonds payable from the state park revenues of equal standing with a prior issue of bonds may be issued.

(h) A provision for deposit and expenditure of the proceeds of sale of the bonds and for investment of the proceeds of sale of the bonds and of other funds of the commission relating to bonds authorized by this part.

(i) A provision that in the event of a default in the payment of principal of or interest on the bonds, or in the performance of an agreement or covenant contained in the resolution, the holders of a specified percentage of the outstanding bonds may institute 1 or more of the following for the equal benefit of the holders of all of the bonds:

(i) An action of mandamus or any other suit, action, or proceeding to enforce the rights of the holders of the bonds.

(ii) An action upon the defaulted bonds or coupons.

(iii) Any other action as may be provided by law.

324.74114 Fees; establishment; collection; deposit.

Sec. 74114. The department may establish fees and collect fees for activities in state parks except those activities for which fees are established under this part. All fees collected under this section shall be deposited into the state park improvement account.

324.74122 Violation of part or rule as misdemeanor; presumption; penalty.

Sec. 74122. (1) A person who violates this part or a rule promulgated under this part is guilty of a misdemeanor. In any proceeding for the violation of this part or a rule promulgated under this part, where a motor vehicle without the required park permit affixed is found parked in any state park, the registration plate displayed on the motor vehicle constitutes prima facie evidence that the owner of the motor vehicle was the person who parked or placed it at the location where it was found.

(2) In addition to the penalties provided for in subsection (1), a person convicted of an act of vandalism shall reimburse the department up to 3 times the amount of the damage as determined by the court. All money collected pursuant to this subsection shall be credited to the state park improvement account.

324.78101 Definitions.

Sec. 78101. As used in this part:

(a) "Commission" means the Michigan state waterways commission.

(b) "Department" means the department of natural resources.

(c) "Director" means the administrative director of the commission.

(d) “Diesel motor fuel” means any liquid fuel used in the operation of engines of the diesel type in motor vehicles or watercraft.

(e) “Gasoline” means gasoline, casing head or natural gasoline, benzole, benzine, and naphtha; also, any liquid prepared, advertised, offered for sale, sold for use as, or used for, the generation of power for the propulsion of motor vehicles or watercraft, including any product obtained by blending together any 1 or more products of petroleum, with or without other products, and regardless of the original character of the petroleum products blended, if the resultant product obtained is capable of use for the generation of power for the propulsion of motor vehicles or watercraft, it being the intention that the blending of the products, regardless of name or characteristics, shall conclusively be presumed to produce motor fuel, unless the resultant product is entirely incapable for use as motor fuel. Gasoline does not include diesel fuel, liquefied petroleum gas, or commercial or industrial naphthas or solvents manufactured, imported, received, stored, distributed, sold, or used exclusively for purposes other than as a fuel for motor vehicles or watercraft.

(f) “Harbor” means a portion of a lake or other body of water either naturally or artificially protected so as to be a place of safety for watercraft, including contrivances used or designed for navigation on water and used or owned by the United States.

(g) “Harbor facilities” means the structures at a harbor constructed to protect the lake or body of water and the facilities provided within the harbor and ashore for the mooring and servicing of watercraft and the servicing of crews and passengers.

(h) “Liquefied petroleum gas” means gases derived from petroleum or natural gases which are in the gaseous state at normal atmospheric temperature and pressure, but which may be maintained in the liquid state at normal atmospheric temperature by suitable pressure.

(i) “Marina” means a site which contains harbor facilities.

(j) “Navigable water” means any waterway navigable by vessels, or capable of being made navigable by vessels through artificial improvements, and includes the structures and facilities created to facilitate navigation.

(k) “Person” includes any individual, partnership, corporation, association, or body politic, except the United States and this state, and includes any trustee, receiver, assignee, or other similar representative of those entities.

(l) “Public boating access site” means a publicly owned site for the launching of recreational watercraft.

(m) “Retail fuel dealer” includes any person or persons, both private and municipal, who engage in the business of selling or distributing fuel within the state.

(n) “Secretary of state” means the secretary of state of this state, acting directly or through a duly authorized deputy, investigators, agents, and employees.

(o) “Vessel” means all watercraft except the following:

(i) Watercraft used for commercial fishing.

(ii) Watercraft used by the sea scout department of the boy scouts of America chiefly for training scouts in seamanship.

(iii) Watercraft owned by this state, any political subdivision of this state, or the federal government.

(iv) Watercraft when used in interstate or foreign commerce and watercraft used or owned by any railroad company or railroad car ferry company.

(v) Watercraft when used in trade, including watercraft when used in connection with an activity that constitutes a person’s chief business or means of livelihood.

(p) “Watercraft” means any contrivance used or designed for navigation on water, including, but not limited to, any vessel, ship, boat, motor vessel, steam vessel, vessel operated by machinery, motorboat, sailboat, barge, scow, tugboat, and rowboat, but does not include contrivances used or owned by the United States.

(q) “Waterway” means any body of water.

(r) “Waterways account” means the waterways account of the Michigan conservation and recreation legacy fund provided for in section 2035.

324.78105 Powers and duties of department.

Sec. 78105. The department shall have the following powers and duties:

(a) To acquire, construct, and maintain harbors, channels, and facilities for vessels in the navigable waters lying within the boundaries of the state of Michigan.

(b) To acquire, by purchase, lease, gift, or condemnation the lands, rights of way, and easements necessary for harbors and channels. The department shall be considered a state agency under 1911 PA 149, MCL 213.21 to 213.25, relative to condemnation by state agencies.

(c) To acquire, by purchase, lease, gift, or condemnation suitable areas on shore for disposal of the material from dredging.

(d) To enter into any contracts or agreements that may be necessary in carrying out this part, including agreements to hold and save the United States free from damages due to the construction and maintenance by the United States of those works that the United States undertakes.

(e) To provide for the granting of concessions within the boundaries of harbors, so as to furnish the public gas, oil, food, and other facilities.

(f) To represent the state of Michigan and the governor of Michigan in dealings with the chief of engineers of the United States army and his or her authorized agents for the purposes set forth in this part.

(g) To charge fees for both seasonal and daily moorage at state-operated small craft mooring facilities. All revenues derived from this source shall be deposited in the waterways account.

(h) To charge fees for both daily and seasonal use of state-operated public access sites, if the cost of collecting the fees will not exceed the revenue derived from the fees for daily and seasonal passes. All revenues derived from this source shall be deposited in the waterways account. A seasonal pass shall grant the permittee the right to enter any state-operated public access site without payment of an additional fee.

(i) To collect the proceeds from the sale of marine fuel at harbors operated by the department. The proceeds from the sales shall be credited to the waterways account and used for the purchase of marine fuel supplies as may be needed. Any remaining revenue from this source not needed for the purchase of marine fuel supplies may be expended in the same manner as other funds within the waterways account.

324.78110 Waterways account; use.

Sec. 78110. Money in the waterways account shall be used only for the following:

(a) The construction, operation, and maintenance of recreational boating facilities.

(b) The acquisition of property for the purposes of this part.

(c) For grants to local units of government and state colleges or universities to acquire and develop harbors of refuge and public boating access sites under section 78115.

- (d) For the purposes provided in part 791.
- (e) For the administration of this part and part 791.

324.78111 State appropriation as advancement.

Sec. 78111. It is the purpose of this part, in providing for harbors and channels, that the appropriation made by the state be considered an advancement, and that the fees, taxes, and other revenues received under this part, to be credited to the waterways account, shall be applied against the advancement, until all advancements have been fully paid. Thereafter, all such fees, taxes, and revenues shall be available for continued expansion and development of harbors and connecting waterways. However, subject to the approval of the state administrative board, the necessary expense of administration of this part, and any expense necessary to the protection of the harbors, and connecting waterways, constructed or established under the provisions of this part, or any improvement to the harbors and connecting waterways necessary for the proper and adequate protecting of vessels, shall be paid from the fees, taxes, and revenues before being credited to the advancements. The state administrative board shall from time to time provide for the transfer of credits to advancements from the waterways account to the general fund, until the advancements have been fully paid.

324.78115 Public boating access sites grant program.

Sec. 78115. (1) The department shall establish a public boating access sites grant program. The grant program shall provide funding with money in the waterways account to local units of government and public colleges or universities for all or a portion of the cost of either or both of the following:

- (a) The acquisition of land for the establishment of a public boating access site.
- (b) The cost of developing a public boating access site.

(2) A grant under subsection (1)(a) may be used as the required match by a local unit of government or a public college or university under part 19 or another state or federal program.

(3) A local unit of government or a public college or university receiving a grant under subsection (1)(b) must agree to operate the public boating access site in accordance with the department's operational requirements. The operational requirements shall be included within a grant agreement that is entered into by the grant recipient and the department. The grant agreement may contain, but need not be limited to, 1 or more of the following provisions as required by the department:

(a) Any net revenues accruing from the operation of the public boating access site shall be separately accounted for and reserved in a restricted fund by the grantee for the future maintenance or expansion of the public boating access site or, with the approval of the department, the construction of other recreational boating facilities. Unless otherwise provided in the grant agreement or otherwise authorized in writing by the department, if a fee is charged for the use of the public boating access site, the fee shall be the same as the fee rates set by the department.

(b) Unless otherwise provided in the grant agreement or otherwise authorized in writing by the department, the public boating access site and any facilities constructed for use in conjunction with the public boating access site shall be reserved by the grantee exclusively for the use or rental, on a daily basis, of recreational watercraft.

(c) Unless otherwise provided in the grant agreement or otherwise authorized in writing by the department, commercial operations of any type shall not be permitted to

regularly use the public boating access site or any of the facilities constructed for use in conjunction with the public boating access site.

(d) The public boating access site and any facilities constructed for use in conjunction with that public boating access site shall be open to the public at all times on equal and reasonable terms.

(4) A local unit of government or a public college or university that wishes to be considered for a grant under this section shall submit an application to the department in a manner prescribed by the department and containing the information required by the department.

324.78503 Revenues; disposition.

Sec. 78503. Revenues received by the department under this part shall be deposited in the state treasury to the credit of the waterways account of the Michigan conservation and recreation legacy fund provided for in section 2035.

324.79114 Disposition of revenue from lease contracts.

Sec. 79114. All revenue from lease contracts entered into under this part shall be deposited in the state treasury and credited to the waterways account of the Michigan conservation and recreation legacy fund provided for in section 2035.

324.80104 Definitions.

Sec. 80104. As used in this part:

(a) “Highly restricted personal information” means an individual’s photograph or image, social security number, digitized signature, and medical and disability information.

(b) “Passenger” means a person carried on board a vessel other than any of the following:

(i) The owner or his or her representative.

(ii) The operator.

(c) “Peace officer” means any of the following:

(i) A sheriff.

(ii) A sheriff’s deputy.

(iii) A deputy who is authorized by a sheriff to enforce this part and who has satisfactorily completed at least 40 hours of law enforcement training, including training specific to this part.

(iv) A village or township marshal.

(v) An officer of the police department of any municipality.

(vi) An officer of the Michigan state police.

(vii) The director and conservation officers employed by the department.

(d) “Personal information” means information that identifies an individual, including an individual’s driver identification number, name, address not including zip code, and telephone number, but does not include information on watercraft operation and equipment-related violations or civil infractions, operator or vehicle registration status, accidents, or other behaviorally-related information.

(e) “Personal watercraft” means a vessel that meets all of the following requirements:

(i) Uses a motor-driven propeller or an internal combustion engine powering a water jet pump as its primary source of propulsion.

(ii) Is designed without an open load carrying area that would retain water.

(iii) Is designed to be operated by 1 or more persons positioned on, rather than within, the confines of the hull.

(f) “Political subdivision” means any county, metropolitan authority, municipality, or combination of those entities in this state. Whenever a body of water is located in more than 1 political subdivision, all of the subdivisions shall act individually in order to comply with this part, except that if the problem is confined to a specific area of the body of water, only the political subdivision in which the problem waters lie shall act.

(g) “Port” means left, and reference is to the port side of a vessel or to the left side of the vessel.

(h) “Probate court or family division disposition” means the entry of a probate court order of disposition or family division order of disposition for a child found to be within the provisions of chapter XIIA of the probate code of 1939, 1939 PA 288, MCL 712A.1 to 712A.32.

(i) “Prosecuting attorney”, except as the context requires otherwise, means the attorney general, the prosecuting attorney of a county, or the attorney representing a political subdivision of government.

(j) “Regatta”, “boat race”, “marine parade”, “tournament”, or “exhibition” means an organized water event of limited duration that is conducted according to a prearranged schedule.

(k) “Slow—no wake speed” means a very slow speed whereby the wake or wash created by the vessel would be minimal.

(l) “Starboard” means right, and reference is to the starboard side of a vessel or to the right side of the vessel.

(m) “State aid” means payment made by the state to a county for the conduct of a marine safety program.

(n) “Undocumented vessel” means a vessel that does not have, and is not required to have, a valid marine document issued by the United States coast guard or federal agency successor to the United States coast guard.

(o) “Uniform inspection decal” means an adhesive-backed sticker created by the department that is color-coded to indicate the year that it expires and is attached to a vessel in the manner prescribed for decals in section 80122 when a peace officer inspects and determines that the vessel complies with this part.

(p) “Use” means operate, navigate, or employ.

(q) “Vessel” means every description of watercraft used or capable of being used as a means of transportation on water.

(r) “Waters of this state” means any waters within the territorial limits of this state, and includes those waters of the Great Lakes that are under the jurisdiction of this state.

(s) “Waterways account” means the waterways account of the Michigan conservation and recreation legacy fund provided for in section 2035.

324.80115 Disposition of revenues; credit to waterways account; appropriation; fees.

Sec. 80115. (1) The revenue received under this part shall be deposited in the state treasury. The revenue division, department of treasury, shall annually present to the department an accurate total of all the revenues collected, and shall then, except as

provided in section 80124b, credit the revenues collected to the waterways account to be used as follows:

- (a) 17.5% to implement part 781.
- (b) 33.5% to implement part 791.

(c) 49% for water safety education programs and for the administration and enforcement of this part, including state aid to counties, and for no other purpose.

(2) Fees provided for in section 80124 shall not be appropriated for the inspection of vessels that carry passengers for hire and are regulated under part 445.

324.80118 Allocation of state aid to counties.

Sec. 80118. The amount of state aid to be allocated to a county pursuant to this part shall be determined by the department in the manner the department determines is appropriate. The department shall review the county's statement of authorized expenditures actually incurred and if satisfied shall provide state aid in an amount not to exceed $\frac{3}{4}$ of the county's estimated authorized expenditures for the past calendar year. If the county's authorized expenditures actually incurred for the past calendar year exceed the county's estimated authorized expenditures for that calendar year, the department, if it considers it to be in the best interests of the state and adequate funds have been appropriated by the legislature for state aid to counties, may provide state aid in excess of $\frac{3}{4}$ of the county's estimated authorized expenditures for that calendar year, but not in excess of $\frac{3}{4}$ of the county's authorized expenditures actually incurred. If the amount appropriated by the legislature for state aid to counties is insufficient to pay the full amount to which the counties are entitled, the department shall reduce the allocations proportionate to the shortfall of revenue among all state and local programs for which waterways account money was appropriated.

324.80119 Marine safety program; audits of county records; refunds to state.

Sec. 80119. Annually the department of the treasury shall audit the county records pertaining to the marine safety program to assure the proper disposition of this money in accordance with this part and rules promulgated under this part. If the audit reveals that a refund of state aid money is due to the state, the county treasurer, within 30 days of the completion of the audit, shall send to the department the amount of the refund due to the state, which the department shall return to the waterways account to be used for the purpose described in section 80115(1)(c).

324.81101 Definitions.

Sec. 81101. As used in this part:

(a) "ATV" means a 3- or 4-wheeled vehicle designed for off-road use that has low-pressure tires, has a seat designed to be straddled by the rider, and is powered by a 50cc to 500cc gasoline engine or an engine of comparable size using other fuels.

(b) "Code" means the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

(c) "Dealer" means a person engaged in the sale, lease, or rental of an ORV as a regular business or, for purposes of selling licenses under section 81116, any other person authorized by the department to sell licenses or permits, or both, under this act.

(d) "Designated", unless the context implies otherwise, means posted open for ORV use with appropriate signs by the department.

(e) “Forest road” means a hard surfaced road, gravel or dirt road, or other route capable of travel by a 2-wheel drive, 4-wheel conventional vehicle designed for highway use, except an interstate, state, or county highway.

(f) “Forest trail” means a designated path or way capable of travel only by a vehicle less than 50 inches in width.

(g) “Highway” means the entire width between the boundary lines of a way publicly maintained when any part of the way is open to the use of the public for purposes of vehicular travel.

(h) “Highly restricted personal information” means an individual’s photograph or image, social security number, digitized signature, and medical and disability information.

(i) “Late model ORV” means an ORV manufactured in the current model year or the 5 model years immediately preceding the current model year.

(j) “Manufacturer” means a person, partnership, corporation, or association engaged in the production and manufacture of ORVs as a regular business.

(k) “Off-road vehicle account” means the off-road vehicle account of the Michigan conservation and recreation legacy fund provided for in section 2015.

(l) “Operate” means to ride in or on, and be in actual physical control of, the operation of an ORV.

(m) “Operator” means a person who operates or is in actual physical control of the operation of an ORV.

(n) “ORV” or “vehicle” means a motor driven off-road recreation vehicle capable of cross-country travel without benefit of a road or trail, on or immediately over land, snow, ice, marsh, swampland, or other natural terrain. ORV or vehicle includes, but is not limited to, a multitrack or multiwheel drive vehicle, an ATV, a motorcycle or related 2-wheel, 3-wheel, or 4-wheel vehicle, an amphibious machine, a ground effect air cushion vehicle, or other means of transportation deriving motive power from a source other than muscle or wind. ORV or vehicle does not include a registered snowmobile, a farm vehicle being used for farming, a vehicle used for military, fire, emergency, or law enforcement purposes, a vehicle owned and operated by a utility company or an oil or gas company when performing maintenance on its facilities or on property over which it has an easement, a construction or logging vehicle used in performance of its common function, or a registered aircraft.

(o) “Owner” means any of the following:

(i) A vendee or lessee of an ORV which is the subject of an agreement for the conditional sale or lease of the ORV, with the right of purchase upon performance of the conditions stated in the agreement, and with an immediate right of possession vested in the conditional vendee or lessee.

(ii) A person renting an ORV, or having the exclusive use of an ORV, for more than 30 days.

(iii) A person who holds legal ownership of an ORV.

(p) “Person with disabilities” means a person who has 1 or more of the following physical characteristics:

(i) Blindness.

(ii) Inability to ambulate more than 200 feet without having to stop and rest during any time of the year.

(iii) Loss of use of 1 or both legs or feet.

(iv) Inability to ambulate without the prolonged use of a wheelchair, walker, crutches, braces, or other device required to aid mobility.

(v) A lung disease from which the person's expiratory volume for 1 second, when measured by spirometry, is less than 1 liter, or from which the person's arterial oxygen tension is less than 60 mm/hg of room air at rest.

(vi) A cardiovascular disease from which the person measures between 3 and 4 on the New York heart classification scale, or from which a marked limitation of physical activity causes fatigue, palpitation, dyspnea, or anginal pain.

(vii) Other diagnosed disease or disorder including, but not limited to, severe arthritis or a neurological or orthopedic impairment that creates a severe mobility limitation.

(q) "Personal information" means information that identifies an individual, including an individual's driver identification number, name, address not including zip code, and telephone number, but does not include information on ORV operation or equipment-related violations or civil infractions, operator or vehicle registration status, accidents, or other behaviorally-related information.

(r) "Public agency" means the department or a local or federal unit of government.

(s) "Roadway" means that portion of a highway improved, designated, or ordinarily used for vehicular travel. If a highway includes 2 or more separate roadways, the term roadway refers to a roadway separately, but not to all roadways collectively.

(t) "Route" means a forest road or other road that is designated for purposes of this part by the department.

(u) "Safety chief instructor" means a person who has been certified by a nationally recognized ATV and ORV organization to certify instructors and to do on-sight evaluations of instructors.

(v) "Visual supervision" means the direct observation of the operator with the unaided or normally corrected eye, where the observer is able to come to the immediate aid of the operator.

324.81110 Fee for processing application for ORV certificate of title.

Sec. 81110. (1) The department of state shall charge a fee of \$11.00 for processing an application for an ORV certificate of title or a duplicate ORV certificate of title. The department of state shall charge an additional fee of \$5.00 for processing an application on an expedited basis.

(2) If a check or draft in payment of a required fee is not paid on its first presentation, the fee is delinquent as of the date the check or draft was tendered. The person tendering the check or draft remains liable for the payment of each fee and any penalty.

(3) The department of state may suspend an ORV certificate of title if the department of state determines that a fee prescribed in this section has not been paid and remains unpaid after reasonable notice or demand.

(4) If a fee is still delinquent 15 days after the department of state has given notice to a person who tendered the check or draft, a \$10.00 penalty shall be assessed and collected in addition to the fee.

(5) The revenue collected from the fees imposed under this section shall be used to support the administrative costs of the secretary of state required by this section. Annual revenue collected in excess of these administrative costs shall be credited to the off-road vehicle account. Amounts appropriated for administrative costs but unexpended shall be credited to the off-road vehicle account.

324.81117 Off-road vehicle account.

Sec. 81117. (1) Money in the off-road vehicle account shall be used only for the following:

(a) Signage for and improvement, maintenance, and construction of ORV trails, routes, or areas.

(b) The administration and enforcement of this part.

(c) The leasing of land.

(d) The acquisition of easements, permits, or other agreements for the use of land for ORV trails, routes, or areas.

(e) The restoration of any of the natural resources of this state on public land that are damaged due to ORV use in conjunction with the plan required by section 81123.

(f) One dollar of the revenue from each fee collected under section 81116 shall be used for the purposes of sections 81129 and 81130.

(2) All revenue from each fee collected under section 81116 shall be deposited in the off-road vehicle account.

(3) All funds allocated under this part shall be for projects that are open to the public.

324.81119 Distribution of revenue in form of grants.

Sec. 81119. (1) Not less than 50% of the money in the off-road vehicle account shall be distributed each year in the form of grants for the purpose of planning, improving, constructing, signing, and maintaining ORV trails, areas, and routes and access to those trails, areas, and routes, the leasing of land, the acquisition of easements, permits, or other agreements for the use of land for ORV trails, areas, and routes, to public agencies and nonprofit incorporated clubs and organizations.

(2) An application by a public agency or a nonprofit incorporated club or organization shall include a plan for restoration of any of the natural resources of this state on public land that are damaged due to ORV use. The public agencies or nonprofit incorporated clubs or organizations shall indicate on their application that their use of grant money is consistent with, and meets the requirements of, the plan developed by the department pursuant to section 81123, and the trail, route, or area is available to the public. The department shall not approve a grant unless the application meets the requirements of the plan. The department shall make application forms available and consider grant requests on a yearly basis.

(3) A grant shall not be made for a trail, route, or area unless the trail, route, or area is available for ORV use and is approved by the department. A grant for the cost of leasing of land and the acquisition of easements, permits, or other agreements may equal 100% of incurred expense. Specifications shall be prescribed by the department.

(4) Not less than 31-1/4% of the money in the off-road vehicle account shall be used each year for enforcement of this part or the purchase of any necessary equipment used for enforcement of this part. Of the amount available for enforcement, the department shall make available 24% of the funds for distribution in the form of grants by the department to the county sheriffs' departments. The balance of the funds available shall be used by the department for the enforcement of this part or for the purchase of any necessary equipment used for the enforcement of this part. In making grants available for distribution under this subsection, the department shall consider the following factors:

(a) The number of miles of ORV trails, routes, or areas within the county.

(b) The number of sheriff's department employees available for enforcement of this part.

(c) The estimated number of ORVs within the county and that are brought into the county for ORV use.

(d) The estimated number of days that ORVs may be used within that county.

(e) Any other factors considered appropriate by the department. The department shall require a county sheriff receiving a grant under this subsection to maintain records and submit an annual report to verify expenditure of grant money received.

(5) Not less than 12-1/2% of the revenue in the off-road vehicle account shall be distributed each year in the form of grants to public agencies and nonprofit incorporated clubs and organizations for the restoration of damage that is caused by ORV use to natural resources on public land. A grant under this subsection may be in addition to a grant under subsection (1). An application for a grant under this subsection shall comply with subsection (2).

(6) Not more than 3-1/8% of the revenue in the off-road vehicle account in any year shall be used for administration of this part. The department may use revenue from the funds for personnel to operate the program under this part.

(7) The remaining 3-1/8% of the revenue in the off-road vehicle account may be used for the purposes described in subsections (1) and (4), except that 25 cents of each fee for a license sold by a dealer shall be retained by the dealer as a commission for services rendered. If the remainder of the money in the off-road vehicle account is used for the purposes described in subsection (4), it shall be allocated as provided in subsection (4).

(8) Grants under this section shall remain available until expended once a contract or commitment has been entered into under this section. A contract shall be for a period of not more than 2 years. A grant not expended within the contract period may be renewed by the department by entering into a new contract.

324.81130 ORV safety education course.

Sec. 81130. (1) A person who is under 16 years of age, before operating an ATV or ORV, shall complete an ORV safety education course approved by the department. This course may include a written examination and a driving test designed to test the competency of the applicant. Upon successful completion of this safety education course, a person shall receive an ORV safety certificate.

(2) A safety education course conducted by a college or university, an intermediate school district, a local school district, a law enforcement agency, or another governmental agency located in this state or by a department approved nonprofit service organization shall be conducted in compliance with this section. An agency or a school conducting a course under this subsection may apply to the department for a grant from the off-road vehicle account for costs associated with conducting a course.

(3) Except for a course conducted by a private business enterprise as provided by subsection (4), an applicant for a safety education course under this section shall pay not more than a \$25.00 course fee or in the case of a university or community college a fee not more than the cost of 1 credit hour of instruction. The course fees shall only be used for funding the administration and implementation of the course.

(4) An ATV or ORV, or both, safety education course required by this section and approved by the department may be conducted by a private business enterprise. A private business enterprise may charge a course fee not to exceed the cost of conducting the course.

(5) The director shall designate a person to be the state coordinator of the ATV and ORV safety education program. A person designated under this subsection shall have successfully completed ATV and ORV safety courses.

(6) The director shall designate a person who has successfully completed ATV and ORV safety courses to perform annual inspections of course sites.

324.81147 Violation of part as misdemeanor or civil violation; penalties.

Sec. 81147. (1) Except as otherwise provided in this part, a person who violates a provision of this part is guilty of a misdemeanor, punishable by imprisonment for not more than 90 days, or a fine of not less than \$50.00 or more than \$1,000.00, or both, for each violation of the part.

(2) A person who violates sections 81105, 81107, 81115, 81116, 81121, 81130, and 81133(b), (c), (d), (f), (g), (h), (j), (l), and (m) is responsible for a state civil infraction and may be ordered to pay a civil fine of not more than \$500.00.

(3) A person shall not remove, deface, or destroy a sign or marker placed by the department indicating the boundaries of an ORV trail or area or that marks a route.

(4) In addition to the penalties otherwise provided under this part, a court of competent jurisdiction may order a person to restore, as nearly as possible, any land, water, stream bank, streambed, or other natural or geographic formation damaged by the violation of this part to the condition it was in before the violation occurred.

(5) The department or any other peace officer may impound the ORV of a person who violates a provision of this part that is punishable as a misdemeanor or who causes damage to the particular area in which the ORV was used in the commission of the violation.

(6) Upon conviction of a person for violation of a provision of this part that is punishable as a misdemeanor or any other provision of this part that results in damage to the particular area in which the ORV was used, a court of competent jurisdiction may order an ORV and any personal property on the ORV seized as a result of the violation returned to the owner or upon recommendation of the local prosecuting attorney turned over to the department. If the ORV and any other property is turned over to the department, they shall be disposed of in the manner provided for condemnation of property in part 16. The proceeds realized by the department under this subsection shall first be used to restore areas damaged by ORV use with the balance to be deposited in the off-road vehicle account.

324.82101 Definitions.

Sec. 82101. As used in this part:

(a) “Conviction” means a final conviction, the payment of a fine, a plea of guilty or nolo contendere if accepted by the court, or a finding of guilt or probate court disposition on a violation of this part, regardless of whether the penalty is rebated or suspended.

(b) “Dealer” means any person engaged in the sale, lease, or rental of snowmobiles as a regular business.

(c) “Former section 15a” means section 15a of former 1968 PA 74, as constituted prior to May 1, 1994.

(d) “Highly restricted personal information” means an individual’s photograph or image, social security number, digitized signature, and medical and disability information.

(e) “Highway or street” means the entire width between the boundary lines of every way publicly maintained if any part thereof is open to the use of the public for purposes of vehicular travel.

(f) “In-kind contributions” means services and goods as approved by the department that are provided by a grant recipient toward completion of a department-approved local snowmobile program under section 82107.

(g) “Law of another state” means a law or ordinance enacted by another state or by a local unit of government in another state.

(h) “Long-term incapacitating injury” means an injury that causes a person to be in a comatose, quadriplegic, hemiplegic, or paraplegic state, which state is likely to continue for 1 year or more.

(i) “Operate” means to ride in or on and be in actual physical control of the operation of a snowmobile.

(j) “Operator” means any person who operates a snowmobile.

(k) “Owner” means any of the following:

(i) A person who holds the legal title to a snowmobile.

(ii) A vendee or lessee of a snowmobile that is the subject of an agreement for conditional sale or lease with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee.

(iii) A person renting a snowmobile or having the exclusive use of a snowmobile for more than 30 days.

(l) “Peace officer” means any of the following:

(i) A sheriff.

(ii) A sheriff’s deputy.

(iii) A deputy who is authorized by a sheriff to enforce this part and who has satisfactorily completed at least 40 hours of law enforcement training, including training specific to this part.

(iv) A village or township marshal.

(v) An officer of the police department of any municipality.

(vi) An officer of the Michigan state police.

(vii) The director and conservation officers employed by the department.

(viii) A law enforcement officer who is certified pursuant to the commission on law enforcement standards act, 1965 PA 203, MCL 28.601 to 28.616, as long as that officer is policing within his or her jurisdiction.

(m) “Personal information” means information that identifies an individual, including an individual’s driver identification number, name, address not including zip code, and telephone number, but does not include information on snowmobile operation or equipment-related violations or civil infractions, operator or snowmobile registration status, accidents, or other behaviorally-related information.

(n) “Probate court or family division disposition” means the entry of a probate court order of disposition or family division order of disposition for a child found to be within the provisions of chapter XHIA of the probate code of 1939, 1939 PA 288, MCL 712A.1 to 712A.32.

(o) “Prosecuting attorney”, except as the context requires otherwise, means the attorney general, the prosecuting attorney of a county, or the attorney representing a local unit of government.

(p) “Recreational snowmobile trail improvement subaccount” means the recreational snowmobile trail improvement subaccount of the snowmobile account created in section 82110.

(q) “Right-of-way” means that portion of a highway or street less the roadway and any shoulder.

(r) “Roadway” means that portion of a highway or street improved, designated, or ordinarily used for vehicular travel. If a highway or street includes 2 or more separate roadways, the term roadway refers to any such roadway separately, but not to all such roadways collectively.

(s) “Shoulder” means that portion of a highway or street on either side of the roadway that is normally snowplowed for the safety and convenience of vehicular traffic.

(t) “Snowmobile” means any motor-driven vehicle designed for travel primarily on snow or ice of a type that utilizes sled-type runners or skis, an endless belt tread, or any combination of these or other similar means of contact with the surface upon which it is operated, but is not a vehicle that must be registered under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

(u) “Snowmobile account” means the snowmobile account of the Michigan conservation and recreation legacy fund provided for in section 2025.

(v) “Snowmobile registration fee subaccount” means the snowmobile registration fee subaccount of the snowmobile account created in section 82111.

(w) “Zone 1” means all of the Upper Peninsula.

(x) “Zone 2” means all of that part of the Lower Peninsula north of a line beginning at and drawn from a point on the Michigan-Wisconsin boundary line due west of the westerly terminus of River road in Muskegon county; thence due east to the westerly terminus of River road; thence north and east along the center line of the River road to its intersection with highway M-120; thence northeasterly and easterly along the center line of highway M-120 to the junction of highway M-20; thence easterly along the center line of M-20 to its junction with US-10 at the Midland-Bay county line; thence easterly along the center line of the “business route” of highway US-10 to the intersection of Garfield road in Bay county; thence north along the center line of Garfield road to the intersection of the Pinconning road; thence east along the center line of Pinconning road to the intersection of the Seven Mile road; thence north along the center of the Seven Mile road to the Bay-Arenac county line; thence north along the center line of the Lincoln School road (county road 25) in Arenac county to the intersection of highway M-61; thence east along the center line of highway M-61 to the junction of highway US-23; thence northerly and easterly along the center line of highway US-23 to the center line of the Au Gres river; thence southerly along the center line of the river to its junction with Saginaw Bay of Lake Huron; thence north 78° east to the international boundary line between the United States and the Dominion of Canada.

(y) “Zone 3” means all of that part of the Lower Peninsula south of the line described in subdivision (x).

324.82102a Michigan snowmobile advisory committee.

Sec. 82102a. (1) The Michigan snowmobile advisory committee is created in the department. The committee shall consist of 7 individuals appointed by the director for 2-year terms. The members of the former snowmobile advisory board serving on April 29, 1994 shall serve on the committee until the expiration of their terms on the snowmobile advisory board. The director shall appoint 1 member of the committee as chairperson and that member shall serve as chairperson at the pleasure of the director. The membership of the committee shall consist of the following:

(a) Three persons representing the Michigan snowmobile association, 1 from each of the department’s 3 regions. One of the 3 shall also have experience as an instructor in a snowmobile safety program.

- (b) One person representing trail sponsors.
 - (c) One person representing the business community.
 - (d) Two persons representing at-large trail users.
- (2) The committee shall meet twice each year and at the call of the committee chairperson as needed.
- (3) The Michigan snowmobile advisory committee shall advise the department regarding all of the following:
- (a) The development of criteria for safety education and training programs.
 - (b) The allocation of funds from the recreational snowmobile trail improvement subaccount.
 - (c) The promulgation of rules affecting snowmobile use in this state.
 - (d) The development of annual updates to the comprehensive plan for implementing a statewide recreational and snowmobile trails system.
 - (e) Implementation of the recommendations made by snowmobile users regarding trails that should be designated for snowmobile use.
 - (f) The development of a comprehensive plan for the use of snowmobiles in this state.
- (4) As used in this section, “committee” means the Michigan snowmobile advisory committee.

324.82106 Disposition of revenue; designation of state recreational trail coordinator; plan for statewide recreational and snowmobile trails system; expenditures; construction of recreational trail facilities or major improvements on private land; interconnecting network of statewide snowmobile trails and use areas; alternative nonconflicting off-season recreational trail uses.

Sec. 82106. (1) Except as otherwise provided in this part, revenue received from the registration fees under this part shall be deposited as follows:

(a) Seventeen dollars of each registration fee shall be deposited into the snowmobile registration fee subaccount. However, if the balance of the snowmobile registration fee subaccount exceeds \$1,600,000.00 at any time, the state treasurer shall transfer all amounts in excess of \$1,600,000.00 to the recreational snowmobile trail improvement subaccount. From the revenue deposited in the snowmobile registration fee subaccount under this part, the legislature shall make an annual appropriation as follows:

(i) Not more than \$3.00 from each registration fee collected during each fiscal year shall be appropriated to the department of state for administration of the registration provisions of this part. At the close of each state fiscal year, any funds appropriated under this subparagraph but not expended shall be credited to the recreational snowmobile trail improvement subaccount. Additionally, if less than \$3.00 from each registration fee is appropriated to the department of state, the state treasurer shall transfer the difference between \$3.00 and the amount appropriated from each registration fee to the recreational snowmobile trail improvement subaccount.

(ii) Fourteen dollars from each registration fee collected during each fiscal year shall be appropriated to the department for purposes set forth in section 82107, including financial assistance to county sheriff departments and local law enforcement agencies for local snowmobile programs. Any money appropriated but not expended under this subparagraph shall be credited each year to the snowmobile registration fee subaccount.

(b) Five dollars from each registration fee shall be deposited in the recreational snowmobile trail improvement subaccount and shall be administered by the department

for the purposes of planning, construction, maintenance, and acquisition of trails and areas for the use of snowmobiles, or access to those trails and areas, and basic snowmobile facilities. Consideration shall be given in planning the expenditures of the funds to providing recreational opportunities for bicyclists, hikers, equestrians, and other nonconflicting recreational trail users as ancillary benefits of the program.

(2) The department shall designate a state recreational trail coordinator and shall maintain a comprehensive plan for implementing a statewide recreational and snowmobile trails system. The comprehensive plan shall be reviewed and updated each year by the department.

(3) The money appropriated under this section to the department for snowmobile trails and areas, for access to those trails or areas, and for basic snowmobile facilities may be expended for the acquisition, development, and maintenance on any land in the state. This money may be used to purchase lands or secure easements, leases, permits, or other appropriate agreements permitting use of private property for snowmobile trails, basic facilities, and areas which may be used by bicyclists, hikers, equestrians, and other nonconflicting off-season recreational trail users, if the easements, leases, permits, or other agreements provide public access to the trail, use areas, and support facilities.

(4) Recreational trail facilities or major improvements shall not be constructed on private land unless a written agreement in the form of an easement, lease, or permit for a public trail right-of-way having a term of not less than 5 years is made between the owner of the land and the department.

(5) The money appropriated under this section shall be expended in a manner and as part of the overall plan of the department for an interconnecting network of statewide snowmobile trails and use areas giving consideration to expected snowfall and availability for use with adequate snow cover. Consideration shall be given in the plan for alternative nonconflicting off-season recreational trail uses.

324.82109 Appropriation; uses; allocation; grants; contract payments; financial assistance; conditions; application; grant agreement or contract; payment; term; request for information; report.

Sec. 82109. (1) Money appropriated to the department from the recreational snowmobile trail improvement subaccount shall be used for 1 or more of the following:

(a) Planning, constructing, maintaining, and acquiring trails and areas for the use of snowmobiles, or access to those trails and areas, and basic snowmobile facilities.

(b) Financial assistance to local units of government and nonprofit incorporated snowmobile clubs or organizations considered eligible by the department.

(c) The department's administration of subdivisions (a) and (b).

(2) In preparing its annual budget for recreational snowmobile trail improvement funds and determining the allocation of funds as provided for in subsection (1), the department shall do both of the following:

(a) Seek input from the snowmobile advisory committee created under section 82102a.

(b) To the degree feasible, give priority to use of the funds for financial assistance to local units of government and nonprofit incorporated snowmobile clubs or organizations.

(3) A portion of the funds appropriated to the department each year shall be used to provide financial assistance to local units of government and nonprofit incorporated snowmobile clubs or organizations in the form of grants or contract payments for annual snowmobile trail maintenance costs, including signage and liability insurance. The department may also issue grants or enter into contracts for 1 or more of the following additional activities:

(a) Maintenance equipment.

(b) Repair or new development of snowmobile trails or related facilities, including the costs of designing and engineering for grant-funded improvements.

(c) Acquisition of land or rights in lands for snowmobile trails or related facilities, costs of leases, permits, easements, or other agreements that allow for use of private lands for public access to snowmobile trails and related facilities, or development of new snowmobile trails and related facilities.

(4) Financial assistance shall not be made under this section unless the costs are for a trail that is available for public snowmobile use and is approved by the department.

(5) Financial assistance shall be allocated as follows:

(a) Assistance for snowmobile trail maintenance costs, excluding signage and liability insurance, shall be according to a formula promulgated by the state recreational trail coordinator, which shall provide an amount up to 100% of the actual, eligible expense of maintaining the trail per year incurred and documented by the grant recipient or contractor and approved by the department.

(b) Assistance for the cost of land acquisition, leasing, permits, or other agreements may equal 100% of the actual, eligible expenses incurred and documented by the grant recipient or contractor and approved by the department.

(c) Assistance for signage may equal 100% of the actual, eligible costs incurred and documented by the grant recipient or contractor and approved by the department. In lieu of financial assistance for signage, the department may choose to use recreational snowmobile trail improvement funds to purchase signs and provide them to grant recipients or contractors. Financial assistance for signs shall not be provided under this section unless the snowmobile trails meet minimum state snowmobile trail construction standards and are funded for snowmobile season maintenance.

(d) Assistance for trail insurance may equal 100% of the actual, eligible costs incurred and documented by the grant recipient or contractor and approved by the department.

(e) Assistance for repair or the development of new trails or trail facilities shall equal 100% of the actual, eligible costs incurred and documented by the grant recipient or contractor and approved by the department.

(f) The department may also assist in a portion of the costs of acquiring grooming equipment. The department shall determine the available grant or contract percentage for eligible grooming equipment costs on an annual basis and publish the percentage prior to the application deadline. Assistance for acquiring grooming equipment shall be based on actual, eligible costs incurred and documented by the grant recipient or contractor and approved by the department.

(6) To be considered for financial assistance, a local unit of government or nonprofit incorporated snowmobile club or organization must submit an application on a form provided by the department and by a deadline established by the department. An application shall include a proposed budget and the amount of financial assistance requested for each of the activities for which assistance is requested.

(7) To receive financial assistance under this section, a local unit of government or nonprofit incorporated snowmobile club or organization must enter into a grant agreement or contract with the department that specifies the obligations of the grant recipient or contractor. The grant agreement or contract shall include provisions as determined by the department, including, but not limited to, requirements that the grant recipient or contractor maintain records and submit documentation and reports to the department to verify expenditure of money received. The grant agreement or contract shall also require

a grant recipient or contractor to adhere to trail specifications prescribed by the department.

(8) Upon execution of a grant agreement or contract, the department may, at its discretion, provide an advanced payment for a portion of the projected cost for 1 or more of the approved activities. The department shall make final payment upon completion of the project as determined by the department and department approval of cost documentation submitted by the grant recipient or contractor.

(9) A grant agreement or contract shall include a specified term for which the grant agreement or contract is valid. Grant or contract funds shall be encumbered upon execution of the grant agreement or contract and remain available for the specified term. Grant or contract funds not expended by a grant recipient or contractor within the specified term may, at the department's discretion, be reallocated to the grant recipient or contractor as part of a new grant agreement or contract.

(10) The department of state and the department shall include in their annual budget requests information detailing their snowmobile programs.

(11) Beginning March 31, 2004, the department shall provide a biannual report to the commission of its expenditures under this section for the prior 2 fiscal years.

324.82110 Recreational snowmobile trail improvement subaccount; use; deposits; rules; projects open to public.

Sec. 82110. (1) The recreational snowmobile trail improvement subaccount is created as a subaccount of the snowmobile account. Money in the subaccount shall be used upon appropriation solely for the improvement of snowmobile trails and other nonconflicting recreational purposes.

(2) Five dollars of each fee collected under section 82105, a portion of each trail permit fee collected as provided under section 82118, and not less than 80% of the revenue from the fees collected under sections 82114 and 82115 shall be deposited in the recreational snowmobile trail improvement subaccount.

(3) The department shall promulgate rules for the administration of the recreational snowmobile trail improvement subaccount.

(4) All funds allocated under this part shall be for projects that are open to the public.

324.82111 Snowmobile registration fee subaccount; creation.

Sec. 82111. The snowmobile registration fee subaccount is created as a subaccount of the snowmobile account.

324.82118 Michigan snowmobile trail permit.

Sec. 82118. (1) In addition to registration of a snowmobile pursuant to section 82105 or registration in another state or province, except as otherwise provided in this section, a person who desires to operate a snowmobile in this state shall purchase a Michigan snowmobile trail permit sticker. The Michigan snowmobile trail permit issued under this section shall be valid for a period of 1 year which begins on October 1 and ends on the following September 30. The fee for the permit shall be \$25.00.

(2) Revenue from the trail permit fee shall be allocated as follows:

(a) \$23.50 to the recreational snowmobile trail improvement subaccount.

(b) 50 cents shall be retained by the department for administrative costs.

(c) \$1.00 shall be retained by the agent selling the permit.

(3) The department shall make the sale of trail permits available on its website. For each trail permit sold through the website, the amount otherwise credited to an agent under subsection (2) shall instead be credited to the recreational snowmobile trail improvement subaccount.

(4) The trail permit sticker shall be permanently affixed to the forward half of the snowmobile directly above or below the headlight of the snowmobile.

(5) The department may contract with a person to act as an agent for the purpose of issuing Michigan snowmobile trail permits. The department shall sell the permits to agents in bulk. Agents may obtain a refund from the department for any permits that are not sold.

(6) An agent who uses or allows the use of a permit by anyone except the snowmobile user to whom the permit is sold is guilty of a misdemeanor, punishable by a fine of \$50.00 for each instance of such use or allowed use.

(7) The department of state may suspend a certificate of registration when the department of state determines that the required fee has not been paid and remains unpaid after reasonable notice or demand. In addition to the required fee, a \$10.00 penalty shall be assessed and collected against any person who tenders an insufficient check or draft in payment of the fee.

(8) A snowmobile used solely for transportation on the frozen surface of public waters for the purpose of ice fishing is exempt from the requirement of purchasing and displaying a snowmobile trail permit sticker under this section.

(9) A person shall not charge a fee for a snowmobile trail permit in an amount that is greater than the fee printed on the face of the permit.

(10) To obtain a snowmobile trail permit, an applicant must provide all information required on the permit application.

(11) A person who fails to secure a permit under this section or who violates subsection (4) is responsible for a state civil infraction and may be ordered to pay a civil fine of not more than \$100.00.

(12) The department of natural resources shall, by June 1 of each year, report to the members of the appropriate standing committee and appropriations subcommittees of the house and senate, a detailed expenditure plan pertaining to the additional funds generated by this act. The plan shall include information as to how funds were expended in the prior year.

324.83101 Definitions.

Sec. 83101. As used in this part:

(a) "Concession" means an agreement between the department and a person under terms and conditions as specified by the department to provide services or recreational opportunities for public use.

(b) "Department" means the department of natural resources.

(c) "Director" means the director of the department.

(d) "Forest recreation account" means the forest recreation account of the Michigan conservation and recreation legacy fund provided for in section 2005.

(e) "Lease" means a conveyance by the department to a person of a portion of the state's interest in land under specific terms and for valuable consideration, thereby granting to the lessee the possession of that portion conveyed during the period stipulated.

(f) "State forest" means those lands designated as state forests by the department.

324.83103 Implementation of MCL 324.83102; powers of department; disposition of money collected; grant and award of concessions; notice to legislature; report.

Sec. 83103. (1) In implementing section 83102, the department may do any of the following:

(a) Enter into contracts or agreements with a person as may be necessary to implement this part.

(b) Grant concessions within the boundaries of a state forest to a person. In granting a concession, the department shall provide for all of the following:

(i) That the concession or any related structure, facility, equipment, or service is compatible with the natural resource values of the surrounding forest area and is appropriate for the forest recreation system.

(ii) That each concession is awarded at least every 7 years based on extension, renegotiation, or competitive bidding. However, if the department determines that a concession requires a capital investment in which a reasonable financing or amortization necessitates a longer term, the department may grant a concession for up to a 15-year term.

(iii) That a concession requiring a capital expenditure of more than \$100,000.00 for a building or structure be provided for in the state forest management plan for the state forest in which the concession is proposed to be located.

(iv) That all buildings and equipment shall be removed from the state forest property at the end of the concession term, unless the department authorizes otherwise.

(v) That no concession or concession operator is granted the authority to charge a fee for access to public land or a public recreation resource.

(vi) That all prices, rates, and charges and all services or items offered in the operation of the concession shall be approved by the department.

(c) Lease property to a person.

(d) Accept gifts, grants, or bequests from any public or private source or from the federal government or a local unit of government for furthering the purposes of this part.

(2) Unless otherwise provided by state or federal law, all money collected under this section shall be deposited into the forest recreation account.

(3) Not less than 3 months before granting a concession for more than \$500,000.00 or that will require a capital expenditure of more than \$500,000.00, the department shall notify each member of the house of representatives and senate with primary responsibility for natural resources issues of its intention to grant the concession and of specific details on the nature of the concession.

(4) By December 31 of each year, the department shall submit to the legislature a report that provides details on all concessions awarded during the previous year under subsection (1).

324.83104 Forest recreation account; use.

Sec. 83104. Money in the forest recreation account shall be used by the department to develop, maintain, operate, and promote forest recreation activities and to implement this part.

324.83106 Camping permit; fee; permit to use lands and facilities; deposit of money into account.

Sec. 83106. (1) The department may require a person to obtain a permit for camping in designated state forest campgrounds and may establish and collect a fee for the camping

permit. However, at least 6 months before increasing a camping permit fee, the department shall provide written notice of its intent to do so to the standing committees of the senate and the house of representatives that have primary jurisdiction over legislation pertaining to natural resources and the environment.

(2) The department may require a person to obtain a permit, except as otherwise provided by law, for the use of lands and facilities within the state forest as designated by the department for recreation use.

(3) Money collected under this section shall be deposited into the forest recreation account.

Repeal of MCL 324.71105, 324.71107, and 324.81118.

Enacting section 1. (1) Sections 71105 and 71107 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71105 and 324.71107, are repealed.

(2) Section 81118 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.81118, is repealed.

Conditional effective date.

Enacting section 2. This amendatory act does not take effect unless House Joint Resolution Z of the 92nd Legislature becomes a part of the state constitution of 1963 as provided in section 1 of article XII of the state constitution of 1963.

This act is ordered to take immediate effect.

Approved January 3, 2005.

Filed with Secretary of State January 4, 2005.

[No. 588]

(HB 5875)

AN ACT to amend 1976 PA 451, entitled “An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies, intermediate school districts, and other public school entities; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, intermediate school districts, and other public school entities; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts,” by amending sections 623a and 1274 (MCL 380.623a and 380.1274), section 623a as amended by 1990 PA 159 and section 1274 as amended by 1994 PA 416.

The People of the State of Michigan enact:

380.623a Procurement of supplies, materials, and equipment; written policies; competitive bids; approval of purchase; adjustment of maximum amount; items purchased through cooperative bulk purchasing program.

Sec. 623a. (1) An intermediate school board shall adopt written policies governing the procurement of supplies, materials, and equipment.

(2) Except as otherwise provided in subsection (3), an intermediate school district shall not purchase an item or a group of items purchased in a single transaction costing \$17,932.00 or more unless competitive bids are obtained for those items and the purchase of those items is approved by the intermediate school board. The maximum amount specified in this section shall be adjusted each year by multiplying the amount for the immediately preceding year by the percentage by which the average consumer price index for all items for the 12 months ending August 31 of the year in which the adjustment is made differs from that index's average for the 12 months ending on August 31 of the immediately preceding year and adding that product to the maximum amount that applied in the immediately preceding year, rounding to the nearest whole dollar.

(3) An intermediate school district is not required to obtain competitive bids for items purchased through the cooperative bulk purchasing program operated by the department of management and budget under section 263(3) of the management and budget act, 1984 PA 431, MCL 18.1263.

380.1274 Procurement of supplies, materials, and equipment; written policies; competitive bids; approval of purchase; adjustment of maximum amount; items purchased through cooperative bulk purchasing program; acquisition of equipment; payment; purchase of heating and cooking equipment.

Sec. 1274. (1) The board of a school district or board of directors of a public school academy shall adopt written policies governing the procurement of supplies, materials, and equipment.

(2) Except as otherwise provided in subsection (3), a school district or public school academy shall not purchase an item or a group of items in a single transaction costing \$17,932.00 or more unless competitive bids are obtained for those items and the purchase of those items is approved by the school board or board of directors. The maximum amount specified in this subsection shall be adjusted each year by multiplying the amount for the immediately preceding year by the percentage by which the average consumer price index for all items for the 12 months ending August 31 of the year in which the adjustment is made differs from that index's average for the 12 months ending on August 31 of the immediately preceding year and adding that product to the maximum amount that applied in the immediately preceding year, rounding to the nearest whole dollar.

(3) A school district or public school academy is not required to obtain competitive bids for items purchased through the cooperative bulk purchasing program operated by the department of management and budget under section 263(3) of the management and budget act, 1984 PA 431, MCL 18.1263.

(4) The board of a school district or local act school district or board of directors of a public school academy may acquire by purchase, lease, or rental, with or without option to purchase, equipment necessary for the operation of the school program, including, but not limited to, heating, water heating, and cooking equipment for school buildings, and may pay

for the equipment from operating funds of the district or public school academy. Heating and cooking equipment may be purchased on a title retaining contract or other form of agreement creating a security interest and pledging in payment money in the general fund or funds received from state school aid. The contracts may extend for not more than 10 years.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless House Bill No. 5913 of the 92nd Legislature is enacted into law.

This act is ordered to take immediate effect.

Approved January 3, 2005.

Filed with Secretary of State January 4, 2005.

Compiler's note: House Bill No. 5913, referred to in enacting section 1, was filed with the Secretary of State January 3, 2005, and became P.A. 2004, No. 589, Imd. Eff. Jan. 4, 2005.

[No. 589]

(HB 5913)

AN ACT to amend 1984 PA 431, entitled "An act to prescribe the powers and duties of the department of management and budget; to define the authority and functions of its director and its organizational entities; to authorize the department to issue directives; to provide for the capital outlay program; to provide for the leasing, planning, constructing, maintaining, altering, renovating, demolishing, conveying of lands and facilities; to provide for centralized administrative services such as purchasing, payroll, record retention, data processing, and publishing and for access to certain services; to provide for a system of internal accounting and administrative control for certain principal departments; to provide for an internal auditor in certain principal departments; to provide for certain powers and duties of certain state officers and agencies; to codify, revise, consolidate, classify, and add to the powers, duties, and laws relative to budgeting, accounting, and the regulating of appropriations; to provide for the implementation of certain constitutional provisions; to create funds and accounts; to make appropriations; to prescribe remedies and penalties; to rescind certain executive reorganization orders; to prescribe penalties; and to repeal certain acts and parts of acts," by amending section 263 (MCL 18.1263).

The People of the State of Michigan enact:

18.1263 Purchase of supplies and materials by state agency to maintain inventories; authorization; limitation; charging appropriation accounts; periodic inventories; obsolescence, damage, or spoilage; fee for purchasing services assistance; cooperative bulk purchasing program for schools and school districts.

Sec. 263. (1) The director may authorize a state agency to purchase supplies and materials for the purpose of maintaining inventories. The director shall place a dollar or quantity limitation to insure inventories are maintained at acceptable levels. Appropriation accounts shall be charged upon the basis of actual usage. Any state agency so authorized shall conduct periodic inventories as directed by the director of all supplies and materials under their control. Obsolete, damaged, or spoiled supplies and materials shall be charged to the proper appropriation account during the fiscal year it is determined that obsolescence, damage, or spoilage has occurred.

(2) The department shall provide assistance to any city, village, county, township, school district, intermediate school district, nonprofit hospital, institution of higher education, or community or junior college for purchasing services on a fee basis. Fees collected for the provision of that assistance are appropriated for the additional expenses incurred.

(3) The department shall create and operate a cooperative bulk purchasing program for school districts, public school academies, nonpublic schools, and intermediate school districts on a fee basis to reduce the costs of purchasing goods and services. Fees collected under this subsection shall not exceed the cost of purchasing goods and services and reasonable administrative expenses, and are appropriated for the expenses incurred.

This act is ordered to take immediate effect.

Approved January 3, 2005.

Filed with Secretary of State January 4, 2005.

[No. 590]

(HB 6295)

AN ACT to amend 1967 PA 288, entitled “An act to regulate the division of land; to promote the public health, safety, and general welfare; to further the orderly layout and use of land; to require that the land be suitable for building sites and public improvements and that there be adequate drainage of the land; to provide for proper ingress and egress to lots and parcels; to promote proper surveying and monumenting of land subdivided and conveyed by accurate legal descriptions; to provide for the approvals to be obtained prior to the recording and filing of plats and other land divisions; to provide for the establishment of special assessment districts and for the imposition of special assessments to defray the cost of the operation and maintenance of retention basins for land within a final plat; to establish the procedure for vacating, correcting, and revising plats; to control residential building development within floodplain areas; to provide for reserving easements for utilities in vacated streets and alleys; to provide for the filing of amended plats; to provide for the making of assessors plats; to provide penalties for the violation of the provisions of this act; to repeal certain parts of this act on specific dates; and to repeal acts and parts of acts,” by amending section 222 (MCL 560.222) and by adding section 222a.

The People of the State of Michigan enact:

560.222 Complaint; filing.

Sec. 222. Except as provided in section 222a, to vacate, correct, or revise a recorded plat or any part of a recorded plat, a complaint shall be filed in the circuit court by the owner of a lot in the subdivision, a person of record claiming under the owner, or the governing body of the municipality in which the subdivision covered by the plat is located.

560.222a Public utility easement as part of recorded plat; relinquishment by written agreement; parties; requirements.

Sec. 222a. (1) Notwithstanding section 222, a public utility easement that is part of a recorded plat may be relinquished without filing an action in circuit court if a written agreement for that purpose is entered into among all of the following parties:

(a) Each public utility or municipal entity that has the right to use the recorded easement.

(b) The owner or owners of record of each platted lot or parcel of land subject to the easement.

(c) A two-thirds majority of the owners of record of each platted lot or parcel of land within 300 feet of any part of the recorded easement.

(d) The governing board of the municipality in which the subdivision covered by the plat is located.

(2) An agreement described in subsection (1) shall meet all applicable requirements for recordation and is effective upon being recorded with the register of deeds and filed with the department of labor and economic growth. The register of deeds and the department of labor and economic growth shall cross-reference the document to the affected plat.

This act is ordered to take immediate effect.

Approved January 3, 2005.

Filed with Secretary of State January 4, 2005.

[No. 591]

(HB 6337)

AN ACT to amend 1991 PA 179, entitled “An act to regulate and insure the availability of certain telecommunication services; to prescribe the powers and duties of certain state agencies and officials; to prescribe penalties; to repeal certain acts and parts of acts; and to repeal this act on a specific date,” by amending section 213 (MCL 484.2213), as amended by 2000 PA 295; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

484.2213 Rules.

Sec. 213. (1) Subject to section 201, the commission may promulgate rules under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(2) Effective September 1, 1996, the following administrative rules shall not apply to telecommunication providers or telecommunication services:

(a) Electric power and communication lines: R 460.581 to R 460.592.

(b) Intrastate telephone services and facilities: R 460.1951 to R 460.1968.

(c) Filing procedures for communications common carriers tariffs: R 460.2051 to R 460.2057.

(d) Consumer standards and billing practices, residential telephone service: R 460.2211 to R 460.2279.

(e) Uniform systems of accounts for class A and class B telephone companies: R 460.9041 and R 460.9059.

(3) Rules promulgated after January 1, 1996 under this act are considered to have been promulgated under the authority granted under subsection (1). R 484.453(5), 484.455(2), 484.455(3), 484.457(3), and 484.458(4) of the Michigan administrative code may not be

enforced until a court determines that the rules do not exceed the commission's authority under this act. It is the legislature's intent that providers voluntarily comply with the rules until a court makes a determination. A provider that voluntarily agrees to abide by the rules does not relinquish its rights to challenge the legality of the rules.

(4) A proceeding before the commission to promulgate rules under this act shall be concluded within 180 days from the date that the proceeding is initiated.

Repeal of MCL 484.2213.

Enacting section 1. Section 213 of the Michigan telecommunications act, 1991 PA 179, MCL 484.2213, is repealed effective July 1, 2005.

This act is ordered to take immediate effect.

Approved January 3, 2005.

Filed with Secretary of State January 4, 2005.

[No. 592]

(SB 1157)

AN ACT to amend 2000 PA 258, entitled "An act to establish career and technical preparation enrollment options for certain students enrolled in Michigan schools; to prescribe certain duties of public schools and certain postsecondary institutions; to prescribe certain powers and duties of certain state departments, officials, and agencies; and to repeal acts and parts of acts," by amending sections 3 and 9 (MCL 388.1903 and 388.1909) and by adding section 3a.

The People of the State of Michigan enact:

388.1903 Definitions.

Sec. 3. As used in this act:

(a) "Career and technical preparation program" means a program that teaches a trade, occupation, or vocation and that is operated by an eligible postsecondary educational institution located in this state.

(b) "Community college" means a community college established under the community college act of 1966, 1966 PA 331, MCL 389.1 to 389.195, or under part 25 of the revised school code, 1976 PA 451, MCL 380.1601 to 380.1607, or a federal tribally controlled community college located in this state that is recognized under the tribally controlled community college assistance act of 1978, 25 USC 1801 to 1852, and is determined by the department to meet the requirements for accreditation by a recognized regional accrediting body.

(c) "Department" means the department of labor and economic growth.

(d) "Eligible charges" means tuition and mandatory course fees, material fees, and registration fees required by a career and technical preparation program for enrollment in an eligible course. Eligible charges also include any late fees charged by a career and technical preparation program due to the school district's failure to make a required payment according to the timetable prescribed under this act. Eligible charges do not include transportation or parking costs or activity fees.

(e) “Eligible course” means a course offered by a career and technical preparation program that is not offered through the school district, intermediate school district, or area vocational-technical education program in which the eligible student is enrolled, or that is offered through the school district, intermediate school district, or area vocational-technical education program but is determined by its governing board to not be available to the eligible student because of a scheduling conflict beyond the eligible student’s control; that is a career and technical preparation course not ordinarily taken as an activity course; that is a course that the career and technical preparation program normally applies toward satisfaction of certificate, degree, or program completion requirements; and that is not a hobby craft or recreational course.

(f) “Eligible postsecondary educational institution” means a state university, community college, or independent nonprofit degree-granting college or university that is located in this state and that chooses to comply with this act.

(g) “Eligible student” means a student enrolled in at least 1 high school class in at least grade 11 in a school district in this state, except a foreign exchange pupil enrolled in a school district under a cultural exchange program. Until the 2006-2007 school year, to be an eligible student a student must have achieved state endorsement in all subject areas under section 1279 of the revised school code, 1976 PA 451, MCL 380.1279. However, if the student has not achieved state endorsement in all subject areas under that section, the student is an eligible student if the student achieves state endorsement in mathematics and a qualifying score on a nationally or industry recognized job skills assessment test as determined by the department. Beginning with eligibility to participate under this act during the 2006-2007 school year, to be an eligible student a student who has not taken the Michigan merit examination must have achieved a qualifying score in all subject areas on a readiness assessment and a student who has taken the Michigan merit examination must have achieved a qualifying score in all subject areas on the Michigan merit examination. However, if the student has not achieved a qualifying score in all subject areas on a readiness assessment or the Michigan merit examination, as applicable for the student, the student is an eligible student if the student achieves a qualifying score in mathematics and a qualifying score on a nationally or industry recognized job skills assessment test as determined by the superintendent of public instruction.

(h) “Intermediate school district” means that term as defined in section 4 of the revised school code, 1976 PA 451, MCL 380.4.

(i) “Michigan merit examination” means that examination developed under section 1279g of the revised school code, 1976 PA 451, MCL 380.1279g.

(j) “Qualifying score” means a score on a readiness assessment or on a nationally or industry recognized job skills assessment test that has been determined by the superintendent of public instruction to indicate readiness to enroll in a course under this act.

(k) “Readiness assessment” means assessment instruments that are aligned with state learning standards; that are used nationally to provide high school students with an early indication of college readiness proficiency in English, mathematics, reading, social studies, and science and may contain a comprehensive career planning program; and that are approved by the superintendent of public instruction for the purposes of this act.

(l) “School district” means that term as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6, a local act school district as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5, or a public school academy organized under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852.

(m) “State university” means a state institution of higher education described in section 4, 5, or 6 of article VIII of the state constitution of 1963.

388.1903a Readiness assessments; duties of superintendent of public instruction; determination of qualifying scores; costs.

Sec. 3a. (1) Not later than July 1, 2005, the superintendent of public instruction shall do both of the following:

(a) Approve 1 or more readiness assessments that may be used for the purposes of determining eligible students beginning with participation in the 2006-2007 school year. Readiness assessments shall be aligned with state learning standards and shall provide high school students with an early indication of proficiency in the subject areas of English, mathematics, reading, social studies, and science and contain a comprehensive career planning program.

(b) Determine qualifying scores for each subject area component of a readiness assessment and for a nationally or industry recognized job skills assessment test that indicate readiness to enroll in a course under this act.

(2) Not later than July 1, 2006, the superintendent of public instruction shall determine qualifying scores for each subject area component of the Michigan merit examination that indicate readiness to enroll in a course under this act.

(3) Unless the school district in which the student is enrolled elects to pay these costs, a student who takes a readiness assessment or a job skills assessment test for the purposes of this act is responsible for paying all costs for taking and obtaining qualifying scores on a readiness assessment or a job skills assessment test for the purposes of this act. This state is not responsible for any of these costs.

388.1909 Information and counseling services.

Sec. 9. (1) Each school district shall provide information to all high school students on the career and technical preparation enrollment options under this act, including enrollment eligibility; the programs and types of courses that are eligible for participation; the decision-making process for granting academic credits; an explanation of eligible charges that will be paid by the school district and of financial arrangements for eligible charges and for paying costs not paid for by the school district; eligibility for payment of all or part of eligible charges by the school district under this act; an explanation that, if the student qualifies for payment of all or part of eligible charges by the school district under this act, the school district will pay that support directly to the career and technical preparation program upon being billed by the career and technical preparation program and that the student is not responsible for that payment but is responsible for payment of costs not paid for under this act; available support services; the need to arrange an appropriate schedule; consequences of failing or not completing a vocational education course in which the eligible student enrolls; the effect of enrolling in a career and technical preparation course on the eligible student's ability to complete the required high school graduation requirements; and the academic and social responsibilities that must be assumed by the eligible student and his or her parent or guardian.

(2) To the extent possible, a school district shall provide counseling services to an eligible student and his or her parent or guardian before the eligible student enrolls in a career and technical preparation course under this act to ensure that the eligible student and his or her parent or guardian are fully aware of the benefits, risks, and possible consequences of enrolling in the course. The person providing the counseling shall encourage the eligible student and his or her parent or guardian to also use available counseling services at the career and technical preparation program before the quarter or semester of enrollment to ensure that anticipated plans are appropriate. A school district may provide the counseling required under this section in a group meeting if additional personalized counseling is also made available.

(3) Before enrolling in an eligible course at a career and technical preparation program under this act, an eligible student and his or her parent or guardian shall file with the career and technical preparation program a signed form provided by the eligible student's school district stating that the student is an eligible student and has received the information and counseling specified in subsections (1) and (2) and that the student understands the responsibilities that must be assumed in enrolling in the course. Upon request, the department shall provide technical assistance to a school district and to a career and technical preparation program in developing appropriate forms and counseling guidelines for purposes of this section.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 92nd Legislature are enacted into law:

- (a) Senate Bill No. 1153.
- (b) Senate Bill No. 1154.
- (c) Senate Bill No. 1155.
- (d) Senate Bill No. 1156.

This act is ordered to take immediate effect.

Approved January 5, 2005.

Filed with Secretary of State January 5, 2005.

Compiler's note: The bills referred to in enacting section 1 were enacted into law as follows:

Senate Bill No. 1153 was filed with the Secretary of State January 5, 2005, and became P.A. 2004, No. 596, Imd. Eff. Jan. 5, 2005.

Senate Bill No. 1154 was filed with the Secretary of State January 5, 2005, and became P.A. 2004, No. 594, Imd. Eff. Jan. 5, 2005.

Senate Bill No. 1155 was filed with the Secretary of State January 5, 2005, and became P.A. 2004, No. 593, Imd. Eff. Jan. 5, 2005.

Senate Bill No. 1156 was filed with the Secretary of State January 5, 2005, and became P.A. 2004, No. 595, Imd. Eff. Jan. 5, 2005.

[No. 593]

(SB 1155)

AN ACT to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools and the intermediate school districts of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and collection of certain taxes; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts," by amending sections 31a, 98b, and 104a (MCL 388.1631a, 388.1698b, and 388.1704a), as amended by 2004 PA 351, and by adding section 104b.

The People of the State of Michigan enact:

388.1631a Funding to eligible districts and public school academies; additional allowance; number of pupils meeting criteria for free breakfast, lunch, or milk; "at-risk pupil" defined.

Sec. 31a. (1) From the money appropriated in section 11, there is allocated for 2004-2005 an amount not to exceed \$314,200,000.00 for payments to eligible districts and eligible

public school academies under this section. Subject to subsection (12), the amount of the additional allowance under this section shall be based on the number of actual pupils in membership in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769h, and reported to the department by October 31 of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year. However, for a public school academy that began operations as a public school academy after the pupil membership count day of the immediately preceding school year, the basis for the additional allowance under this section shall be the number of actual pupils in membership in the public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the current state fiscal year, as determined under the Richard B. Russell national school lunch act.

(2) To be eligible to receive funding under this section, other than funding under subsection (6), a district or public school academy that has not been previously determined to be eligible shall apply to the department, in a form and manner prescribed by the department, and a district or public school academy must meet all of the following:

(a) The sum of the district's or public school academy's combined state and local revenue per membership pupil in the current state fiscal year, as calculated under section 20, plus the amount of the district's per pupil allocation under section 20j(2), is less than or equal to \$6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current state fiscal year and \$5,000.00, minus \$200.00.

(b) The district or public school academy agrees to use the funding only for purposes allowed under this section and to comply with the program and accountability requirements under this section.

(3) Except as otherwise provided in this subsection, an eligible district or eligible public school academy shall receive under this section for each membership pupil in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department by October 31 of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year, an amount per pupil equal to 11.5% of the sum of the district's foundation allowance or public school academy's per pupil amount calculated under section 20, plus the amount of the district's per pupil allocation under section 20j(2), not to exceed \$6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current state fiscal year and \$5,000.00, minus \$200.00, or of the public school academy's per membership pupil amount calculated under section 20 for the current state fiscal year. A public school academy that began operations as a public school academy after the pupil membership count day of the immediately preceding school year shall receive under this section for each membership pupil in the public school academy who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department by October 31 of the current fiscal year and adjusted not later than December 31 of the current fiscal year, an amount per pupil equal to 11.5% of the public school academy's per membership pupil amount calculated under section 20 for the current state fiscal year.

(4) Except as otherwise provided in this section, a district or public school academy receiving funding under this section shall use that money only to provide instructional programs and direct noninstructional services, including, but not limited to, medical or counseling services, for at-risk pupils; for school health clinics; and for the purposes of subsection (5) or (6). In addition, a district that is organized as a school district of the first

class under the revised school code or a district or public school academy in which at least 50% of the pupils in membership met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1), may use not more than 10% of the funds it receives under this section for school security. A district or public school academy shall not use any of that money for administrative costs or to supplant another program or other funds, except for funds allocated to the district or public school academy under this section in the immediately preceding year and already being used by the district or public school academy for at-risk pupils. The instruction or direct noninstructional services provided under this section may be conducted before or after regular school hours or by adding extra school days to the school year and may include, but are not limited to, tutorial services, early childhood programs to serve children age 0 to 5, and reading programs as described in former section 32f as in effect for 2001-2002. A tutorial method may be conducted with paraprofessionals working under the supervision of a certificated teacher. The ratio of pupils to paraprofessionals shall be between 10:1 and 15:1. Only 1 certificated teacher is required to supervise instruction using a tutorial method. As used in this subsection, "to supplant another program" means to take the place of a previously existing instructional program or direct noninstructional services funded from a funding source other than funding under this section.

(5) Except as otherwise provided in subsection (11), a district or public school academy that receives funds under this section and that operates a school breakfast program under section 1272a of the revised school code, MCL 380.1272a, shall use from the funds received under this section an amount, not to exceed \$10.00 per pupil for whom the district or public school academy receives funds under this section, necessary to operate the school breakfast program.

(6) From the funds allocated under subsection (1), there is allocated for 2004-2005 an amount not to exceed \$3,743,000.00 to support teen health centers. These grants shall be awarded for 3 consecutive years beginning with 2003-2004 in a form and manner approved jointly by the department and the department of community health. Each grant recipient shall remain in compliance with the terms of the grant award or shall forfeit the grant award for the duration of the 3-year period after the noncompliance. Beginning in 2004-2005, to continue to receive funding for a teen health center under this section a grant recipient shall ensure that the teen health center has an advisory committee and that at least one-third of the members of the advisory committee are parents or legal guardians of school-aged children. A teen health center program shall recognize the role of a child's parents or legal guardian in the physical and emotional well-being of the child. If any funds allocated under this subsection are not used for the purposes of this subsection for the fiscal year in which they are allocated, those unused funds shall be used that fiscal year to avoid or minimize any proration that would otherwise be required under subsection (12) for that fiscal year.

(7) Each district or public school academy receiving funds under this section shall submit to the department by July 15 of each fiscal year a report, not to exceed 10 pages, on the usage by the district or public school academy of funds under this section, which report shall include at least a brief description of each program conducted by the district or public school academy using funds under this section, the amount of funds under this section allocated to each of those programs, the number of at-risk pupils eligible for free or reduced price school lunch who were served by each of those programs, and the total number of at-risk pupils served by each of those programs. If a district or public school academy does not comply with this subsection, the department shall withhold an amount equal to the August payment due under this section until the district or public school

academy complies with this subsection. If the district or public school academy does not comply with this subsection by the end of the state fiscal year, the withheld funds shall be forfeited to the school aid fund.

(8) In order to receive funds under this section, a district or public school academy shall allow access for the department or the department's designee to audit all records related to the program for which it receives those funds. The district or public school academy shall reimburse the state for all disallowances found in the audit.

(9) Subject to subsections (5), (6), and (11), any district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K-6, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) exceeds the district's aggregate percentage of those pupils. Subject to subsections (5), (6), and (11), if a district obtains a waiver from the department, the district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K-6, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) is at least 60% of the district's aggregate percentage of those pupils and at least 30% of the total number of pupils enrolled in the school building. To obtain a waiver, a district must apply to the department and demonstrate to the satisfaction of the department that the class size reductions would be in the best interests of the district's at-risk pupils.

(10) A district or public school academy may use funds received under this section for adult high school completion, general educational development (G.E.D.) test preparation, adult English as a second language, or adult basic education programs described in section 107.

(11) For an individual school or schools operated by a district or public school academy receiving funds under this section that have been determined by the department to meet the adequate yearly progress standards of the federal no child left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at all applicable grade levels for all applicable subgroups, the district or public school academy may submit to the department an application for flexibility in using the funds received under this section that are attributable to the pupils in the school or schools. The application shall identify the affected school or schools and the affected funds and shall contain a plan for using the funds for specific purposes identified by the district that are designed to benefit at-risk pupils in the school, but that may be different from the purposes otherwise allowable under this section. The department shall approve the application if the department determines that the purposes identified in the plan are reasonably designed to benefit at-risk pupils in the school. If the department does not act to approve or disapprove an application within 30 days after it is submitted to the department, the application is considered to be approved. If an application for flexibility in using the funds is approved, the district may use the funds identified in the application for any purpose identified in the plan.

(12) If necessary, and before any proration required under section 11, the department shall prorate payments under this section by reducing the amount of the per pupil payment under this section by a dollar amount calculated by determining the amount by which the amount necessary to fully fund the requirements of this section exceeds the maximum amount allocated under this section and then dividing that amount by the total statewide number of pupils who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as described in subsection (1).

(13) If a district is formed by consolidation after June 1, 1995, and if 1 or more of the original districts was not eligible before the consolidation for an additional allowance

under this section, the amount of the additional allowance under this section for the consolidated district shall be based on the number of pupils described in subsection (1) enrolled in the consolidated district who reside in the territory of an original district that was eligible before the consolidation for an additional allowance under this section.

(14) A district or public school academy that does not meet the eligibility requirement under subsection (2)(a) is eligible for funding under this section if at least 1/4 of the pupils in membership in the district or public school academy met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1), and at least 4,500 of the pupils in membership in the district or public school academy met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1). A district or public school academy that is eligible for funding under this section because the district meets the requirements of this subsection shall receive under this section for each membership pupil in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as determined and reported as described in subsection (1), an amount per pupil equal to 11.5% of the sum of the district's foundation allowance or public school academy's per pupil allocation under section 20, plus the amount of the district's per pupil allocation under section 20j(2), not to exceed \$6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current state fiscal year and \$5,000.00, minus \$200.00.

(15) As used in this section, "at-risk pupil" means a pupil for whom the district has documentation that the pupil meets at least 2 of the following criteria: is a victim of child abuse or neglect; is below grade level in English language and communication skills or mathematics; is a pregnant teenager or teenage parent; is eligible for a federal free or reduced-price lunch subsidy; has atypical behavior or attendance patterns; or has a family history of school failure, incarceration, or substance abuse. For pupils for whom the results of at least the applicable Michigan education assessment program (MEAP) test have been received, at-risk pupil also includes a pupil who does not meet the other criteria under this subsection but who did not achieve at least a score of level 2 on the most recent MEAP English language arts, mathematics, or science test for which results for the pupil have been received. For pupils for whom the results of the Michigan merit examination have been received, at-risk pupil also includes a pupil who does not meet the other criteria under this subsection but who did not achieve proficiency on the reading component of the most recent Michigan merit examination for which results for the pupil have been received, did not achieve proficiency on the mathematics component of the most recent Michigan merit examination for which results for the pupil have been received, or did not achieve basic competency on the science component of the most recent Michigan merit examination for which results for the pupil have been received. For pupils in grades K-3, at-risk pupil also includes a pupil who is at risk of not meeting the district's core academic curricular objectives in English language arts or mathematics.

388.1698b Freedom to learn program.

Sec. 98b. (1) From the school aid stabilization fund created in section 11a, there is appropriated and allocated for 2004-2005 an amount not to exceed \$3,700,000.00 for the freedom to learn program described in this section. In addition, from the federal funds appropriated in section 11 there is allocated for 2004-2005 an amount not to exceed \$10,343,200.00 from the competitive grants of DED-OESE, title II, educational technology grants funds, and an amount not to exceed \$7,000,000.00 from funds carried forward from 2003-2004 from unexpended DED-OESE, title II, educational technology grants funds.

(2) The allocations in subsection (1) shall be used to develop, implement, and operate the freedom to learn program and make program grants. The goal of the program is to achieve one-to-one access to wireless technology for K-12 pupils through statewide and local public-private partnerships. To implement the program, the state education agency shall sign a memorandum of understanding with the Michigan virtual university that provides for joint administration of program grants under this subsection. However, beginning January 1, 2005, Ferris state university shall perform the functions of the Michigan virtual university under this section and the funds allocated to the Michigan virtual university under this section are instead allocated to Ferris state university. Not later than January 31, 2005, the state education agency shall enter into a memorandum of understanding with Ferris state university that provides for this transfer of functions. The Michigan virtual university or Ferris state university, as applicable, and the state education agency shall make grants to districts as described in this section. In awarding the grants, the Michigan virtual university or Ferris state university, as applicable, and the state education agency shall give priority to applications that demonstrate that the district's program will meet all of the following:

(a) Will be ready for immediate implementation and will have begun professional development on technology integration in the classroom.

(b) Will utilize state structure and resources for professional development, as coordinated by the Michigan virtual university or Ferris state university, as applicable.

(c) Will opt to participate in the statewide partnership described in subsection (9).

(3) The amount of program grants to districts is estimated at \$250.00 per pupil in membership in grade 6 in 2004-2005, or in another grade allowed in this section, or per grade 6 teacher if the funding is awarded in a ratio of at least 20 pupils funded for each teacher funded. The state education agency and the Michigan virtual university or Ferris state university, as applicable, shall establish grant criteria that maximize the distribution of federal funds to achieve the \$250.00 per pupil or teacher in districts that qualify for federal funds. To qualify for a grant under this section, a district shall submit an application to the state education agency and the Michigan virtual university or Ferris state university, as applicable, and complete the application process established by the state education agency and the Michigan virtual university or Ferris state university, as applicable. The application shall include at least all of the following:

(a) If the district is applying for federal funds, how the district will meet the requirements of the competitive grants under DED-OESE, title II, part D.

(b) How the district will provide the opportunity for each pupil in membership in grade 6 to receive a wireless computing device. If the district has already achieved one-to-one wireless access in grade 6 or if the district's school building grade configuration makes implementation of the program for grade 6 impractical, the district may apply for a grant for the next highest grade. If the district does not have a grade 6 or higher, the district may apply for funding for the next lowest grade level. If the district operates 1 or more schools that are not meeting adequate yearly progress, as determined by the department, and that contain grade 6, the district may apply for funding for a school building-wide program for 1 or more of those schools. A public school academy that does not offer a grade higher than grade 5 may apply to receive a grant under this section for pupils in the highest grade offered by the public school academy.

(c) The district shall submit a plan describing the uses of the grant funds. The plan shall describe a plan for professional development on technology integration, content and curriculum, and local partnerships with the other districts and representatives from businesses, industry, and higher education. The plan shall include at least the following:

(i) The academic achievement goals, which may include, but are not limited to, goals related to mathematics, science, and language arts.

(ii) The engagement goals, which may include, but are not limited to, goals related to retention rates, dropout rates, detentions, and suspensions.

(iii) A commitment that at least 25% of the total local budget for the program will be used on professional development on technology integration in the classroom.

(d) A 3- to 5-year plan or funding model for increasing the share that is borne locally of the expenditures for one-to-one wireless access. The Michigan virtual university or Ferris state university, as applicable, shall provide districts with sample local plans and funding models for the purposes of this subdivision and with information on available federal and private resources.

(e) How the district will amend its local technology plan as required under state and federal law to reflect the program under this section.

(4) A district that receives a grant under this section shall provide at least a \$25.00 per pupil match for grant money received under this section from local public or private resources.

(5) The amount of a grant under this section to a single district for a fiscal year shall not exceed 25% of the total amount available for grants under this section for that fiscal year.

(6) A district that received money under section 98 in 2002-2003 for a wireless technology grant is eligible to receive a grant under this section.

(7) The federal funding under subsection (1) shall be used first to provide the grants under this subsection. A district described in this subsection shall apply to the Michigan virtual university or Ferris state university, as applicable, and the state education agency for a grant in the form and manner prescribed by the department. An application under this section is not subject to the requirements of subsection (3) if the application demonstrates that the program will meet all of the following:

(a) Will continue as a demonstration program.

(b) Will provide regional assistance to schools that are not meeting adequate yearly progress, as determined by the department, and to new grant recipients, as directed by the state education agency and the Michigan virtual university or Ferris state university, as applicable.

(c) Will seek to expand its existing wireless technology initiatives.

(8) The state funding under subsection (1) shall be used first to provide grants to districts that received money under section 98 in 2002-2003 and were designated as program application sites.

(9) The department of management and budget shall establish a statewide public-private partnership to implement the program. The department of management and budget shall select a program partner through a request for proposals process for a total learning technology package that includes, but is not limited to, a wireless laptop, software, professional development, service, and support, and for management by a single point of contact individual responsible for the overall implementation. The proposal selected shall achieve significant efficiencies and economies of scale and be interoperable with existing technologies. The private partner selected in the request for proposals process to partner with the state must possess all of the following:

(a) Experience in the development and successful implementation of large-scale, school-based wireless technology projects.

(b) Proven technical ability to deliver a total solutions package of learning technology for elementary and secondary students and teachers.

(c) Results-based education solutions to increase student achievement and advance professional development for teachers.

(d) Ability to coordinate, utilize, and expand existing technology infrastructures and professional development delivery systems within school districts and regions.

(e) Ability to provide a wireless computing device that is able to be connected to the wireless network and is able to access a school's preexisting local network and the internet both wirelessly in the school and through dial-up or other remote connection from the home or elsewhere outside school.

(10) A district may elect to purchase or lease wireless computing devices from a vendor other than the statewide partnership described in subsection (9) if the Michigan virtual university or Ferris state university, as applicable, determines that the vendor meets the requirements of subdivisions (a) to (d) of subsection (9) and the vendor is identified in the district's grant application.

(11) The state education agency shall sign a memorandum of understanding with the Michigan virtual university regarding DED-OESE, title II, educational technology grants, as provided under this subsection. Not later than January 31, 2005, the state education agency shall enter into a memorandum of understanding with Ferris state university to provide for the transfer of functions under this subsection. The Michigan virtual university or Ferris state university, as applicable, shall coordinate activities described in this subsection with the freedom to learn grants described under this section. The memorandum of understanding shall require that the Michigan virtual university or Ferris state university, as applicable, coordinate the following state activities related to DED-OESE, title II, educational technology grants in accordance with federal law:

(a) Assist in the development of innovative strategies for the delivery of specialized or rigorous academic courses and curricula through the use of technology, including distance learning technologies.

(b) Establish and support public-private initiatives for the acquisition of educational technology for students in high-need districts.

(12) Funds allocated under this section that are not expended in the state fiscal year for which they were allocated may be carried forward to a subsequent state fiscal year.

(13) It is the intent of the legislature that all plans or applications submitted by the state education agency to the United States department of education relating to the distribution of federal funds under this section are for the purposes described in this section.

(14) The state education agency shall ensure that the program goals and plans for the freedom to learn program are contained in the state technology plan required by federal law.

(15) From the funds allocated under this section, an amount not to exceed \$2,750,000.00 is allocated to the Michigan virtual university or Ferris state university, as applicable, to be used for statewide activities, as follows:

(a) An amount estimated at \$1,700,000.00 to develop a professional development network in partnership with other statewide entities for professional development on technology integration in the classroom.

(b) An amount estimated at \$250,000.00 for development of a content resource package that will include on-line coursework content.

(c) An amount estimated at \$300,000.00 to Ferris state university to develop or purchase an on-line assessment system to supplement the Michigan education assessment program tests and the Michigan merit examination and provide immediate feedback on pupil achievement. The assessment system shall include high-quality tests aligned to the state curriculum framework and tests that can be customized by teachers and integrated with on-line instructional resources. The state education agency shall work in partnership with Ferris state university to implement the assessment program. The state education agency shall give first priority in implementing the assessment systems to districts not meeting adequately yearly progress requirements as established by the federal no child left behind act of 2001, Public Law 107-110, and to schools participating in grant programs under this section.

(d) An amount not to exceed \$500,000.00 for comprehensive statewide evaluation of current and future projects under this section and for statewide administration of the freedom to learn program.

(16) Notwithstanding section 17b, payments under this section may be made pursuant to an agreement with the department.

(17) It is the intent of the legislature that this state will seek to raise private funds for the current and future funding of the freedom to learn program under this section and all of the program components.

(18) As used in this section:

(a) “DED-OESE” means the United States department of education office of elementary and secondary education.

(b) “State education agency” means the department.

388.1704a State assessments to high school pupils.

Sec. 104a. (1) Subject to subsection (14) and section 104b, until the end of the 2005-2006 school year, in order to receive state aid under this act, a district shall comply with this section and shall administer state assessments to high school pupils in the subject areas of English language arts, mathematics, science, and social studies. If the superintendent determines that it would be consistent with the purposes of this section, the superintendent may designate the grade 11 Michigan education assessment program tests as the assessments to be used for the purposes of this section. The district shall include on the pupil's high school transcript all of the following:

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

(b) If the pupil's scaled score on a subject area assessment falls within the range required under subsection (2) for “exceeds expectations”, “meets expectations”, or “basic”, an indication that the pupil has achieved state endorsement for that subject area.

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

(2) The superintendent shall develop scaled scores for reporting subject area assessment results for each of the subject areas under this section. The superintendent shall establish 4 categories for each subject area indicating exceeds expectations, meets expectations, basic, and below basic, and shall establish the scaled score range required for each category. The superintendent shall design and distribute to districts, intermediate districts, and nonpublic schools a simple and concise document that describes these categories in each subject area and indicates the scaled score ranges for each category in

each subject area. A district may award a high school diploma to a pupil who successfully completes local district requirements established in accordance with state law for high school graduation, regardless of whether the pupil is eligible for any state endorsement.

(3) The assessments administered for the purposes of this section shall be administered to pupils during the last 90 school days of grade 11. The superintendent shall ensure that the assessments are scored and the scores are returned to pupils, their parents or legal guardians, and districts not later than the beginning of the pupil's first semester of grade 12. The returned scores shall indicate the pupil's scaled score for each subject area assessment, the range of scaled scores for each subject area, and the range of scaled scores required for each category established under subsection (2). In reporting the scores to pupils, parents, and schools, the superintendent shall provide specific, meaningful, and timely feedback on the pupil's performance on the assessment.

(4) Beginning with assessments conducted in the 2005-2006 school year, all of the following apply to the assessments under this section:

(a) The superintendent shall ensure that any contractor used for scoring the assessment supplies an individual report for each pupil that will identify for the student's parents and teachers whether the pupil met expectations or failed to meet expectations for each standard, to allow the pupil's parents and teachers to assess and remedy problems before the pupil moves to the next grade.

(b) The superintendent shall ensure that any contractor used for scoring, developing, or processing an assessment instrument meets quality management standards commonly used in the assessment industry, including at least meeting level 2 of the capability maturity model developed by the software engineering institute of Carnegie Mellon university for the 2005-2006 school year assessments and at least meeting level 3 of the capability maturity model for subsequent assessments.

(c) The superintendent shall ensure that any contract it enters into for scoring, administering, or developing an assessment instrument includes specific deadlines for all steps of the assessment process, including, but not limited to, deadlines for the correct testing materials to be supplied to schools and for the correct results to be returned to schools, and includes penalties for noncompliance with these deadlines.

(d) The superintendent shall ensure that the assessment instruments meet all of the following:

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

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

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

(iv) Are factually accurate. If the superintendent determines that a question is not factually accurate and should be removed from an assessment instrument, the state board and the superintendent shall ensure that the question is removed from the assessment instrument.

(5) For each pupil who does not achieve proficiency in 1 or more subject areas, the board of the district in which the pupil is enrolled shall provide that there be at least 1 meeting attended by at least the pupil and a member of the district's staff or a local or intermediate district consultant who is proficient in the measurement and evaluation of pupils. The district may provide the meeting as a group meeting for pupils in similar circumstances. If the pupil is a minor, the district shall invite and encourage the pupil's

parent, legal guardian, or person in loco parentis to attend the meeting and shall mail a notice of the meeting to the pupil's parent, legal guardian, or person in loco parentis. The purpose of this meeting and any subsequent meeting under this subsection shall be to determine an educational program for the pupil designed to have the pupil achieve state endorsement in each subject area in which he or she did not achieve state endorsement. In addition, a district may provide for subsequent meetings with the pupil conducted by a high school counselor or teacher designated by the pupil's high school principal, and shall invite and encourage the pupil's parent, legal guardian, or person in loco parentis to attend the subsequent meetings. The district shall provide special programs for the pupil or develop a program using the educational programs regularly provided by the district unless the board of the district decides otherwise and publishes and explains its decision in a public justification report.

(6) A pupil who wants to repeat an assessment administered under this section may repeat the assessment, without charge to the pupil, in the next school year or after graduation. An individual may repeat an assessment at any time the district administers an applicable assessment instrument or during a retesting period under subsection (8).

(7) The superintendent shall ensure that the length of the assessments used for the purposes of this section and the combined total time necessary to administer all of the assessments are the shortest possible that will still maintain the degree of reliability and validity of the assessment results determined necessary by the superintendent. The superintendent shall ensure that the maximum total combined length of time that schools are required to set aside for administration of all of the assessments used for the purposes of this section does not exceed 8 hours. However, this subsection does not limit the amount of time that individuals may have to complete the assessments.

(8) The superintendent shall establish, schedule, and arrange periodic retesting periods throughout the year until the end of the 2006-2007 school year for individuals who desire to repeat an assessment under this section. The superintendent shall coordinate the arrangements for administering the repeat assessments and shall ensure that the retesting is made available at least within each intermediate district and, to the extent possible, within each district.

(9) A district shall provide accommodations to a pupil with disabilities for the assessments required under this section, as provided under section 504 of title V of the rehabilitation act of 1973, 29 USC 794; subtitle A of title II of the Americans with disabilities act of 1990, 42 USC 12131 to 12134; the individuals with disabilities education act amendments of 1997, Public Law 105-17; and the implementing regulations for those statutes.

(10) For the purposes of this section, the superintendent shall develop or select and approve assessment instruments to measure pupil performance in English language arts, mathematics, social studies, and science. The assessment instruments shall be based on grade level content expectations or course content expectations, as appropriate.

(11) Upon written request by the pupil's parent or legal guardian stating that the request is being made for the purpose of providing the pupil with an opportunity to qualify to take 1 or more postsecondary courses as an eligible student under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or under the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, the board of a district shall allow a pupil who is in at least grade 10 to take an assessment administered under this section without charge at any time the district regularly administers the assessment or during a retesting period established under subsection (8). A district is not required to include in an annual education report, or in any other report submitted to the superintendent for accreditation purposes, results of assessments taken under this

subsection by a pupil in grade 11 or lower until the results of that pupil's graduating class are otherwise reported.

(12) All assessment instruments developed or selected and approved by the state under any statute or rule for a purpose related to K to 12 education shall be objective-oriented and consistent with grade level content expectations or course content expectations, as appropriate.

(13) Until the end of the 2006-2007 school year, a person who has graduated from high school after 1996 and who has not previously taken an assessment under this section may take an assessment used for the purposes of this section, without charge to the person, at the district from which he or she graduated from high school at any time that district administers the assessment or during a retesting period scheduled under subsection (8) and have his or her scaled score on the assessment included on his or her high school transcript. If the person's scaled score on a subject area assessment falls within the range required under subsection (2) for a category established under subsection (2), the district shall also indicate on the person's high school transcript that the person has achieved state endorsement for that subject area.

(14) Until the end of the 2006-2007 school year, a person who has previously taken an assessment under this section may take a retest on the assessment for the purposes of qualifying for a Michigan merit award under the Michigan merit award scholarship act, 1999 PA 94, MCL 390.1451 to 390.1459. The person may take the retest, without charge to the person, at the district in which he or she is enrolled or resides or, if it is not available in that district, at another location within the intermediate district in which he or she resides, at a regular testing time scheduled for the assessment or during a retesting period scheduled under subsection (8).

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

(16) The purpose of the assessment under this section is to assess pupil performance in mathematics, science, social studies, and English language arts for the purpose of improving academic achievement and establishing a statewide standard of competency. The assessment under this section provides a common measure of data that will contribute to the improvement of Michigan schools' curriculum and instruction by encouraging alignment with Michigan's curriculum framework standards. These standards are based upon the expectations of what pupils should know and be able to do by the end of grade 11.

(17) As used in this section:

(a) "English language arts" means reading and writing.

(b) "Social studies" means United States history, world history, world geography, economics, and American government.

388.1704b Michigan merit examination.

Sec. 104b. (1) Beginning in the 2006 calendar year, in order to receive state aid under this act, a district shall comply with this section and shall administer the state

assessments under section 1279 or the Michigan merit examination to pupils in grade 11 as provided in this section, as follows:

(a) For pupils in grade 11 in the 2005-2006 school year, the provisions concerning state assessments under section 104a apply to all pupils in grade 11 and the Michigan merit examination shall be administered to a sample of pupils in grade 11 statewide, as identified by the department. The pupils to be included in this sample shall be determined by the department as the department determines necessary to seek the approval of the United States department of education to use the Michigan merit examination for the purposes of the federal no child left behind act of 2001, Public Law 107-110.

(b) Subject to subdivision (c), for pupils in grade 11 in the 2006-2007 school year and subsequent school years, the Michigan merit examination shall be offered to all pupils in grade 11.

(c) If the United States department of education has not approved the use of the Michigan merit examination for the purposes of the federal no child left behind act of 2001, Public Law 107-110, by December 31, 2006, all of the following apply:

(i) The provisions concerning state assessments under section 104a shall continue to apply to all pupils in grade 11 until the next calendar year that begins after that approval occurs.

(ii) The Michigan merit examination shall be offered to all pupils in grade 11 beginning in the next calendar year that begins after that approval occurs.

(iii) If it is necessary as part of the process of continuing to seek the approval of the United States department of education to use the Michigan merit examination for the purposes of the federal no child left behind act of 2001, Public Law 107-110, the department may again provide for the administration of both the state assessments under section 104a and the Michigan merit examination to a sample of pupils in grade 11 statewide as described in subdivision (a).

(2) The department shall take all steps necessary, including, but not limited to, conducting a content alignment study and statistical analyses, to obtain the approval of the United States department of education to use the Michigan merit examination for the purposes of the federal no child left behind act of 2001, Public Law 107-110, by not later than December 31, 2006 or as soon thereafter as possible.

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

(a) Assessment instruments that measure English language arts, mathematics, reading, and science and are used by colleges and universities in this state for entrance or placement purposes.

(b) One or more tests from 1 or more test developers that assess a pupil's ability to apply reading and mathematics skills in a manner that is intended to allow employers to use the results in making employment decisions.

(c) A social studies component.

(d) Any other component that is necessary to obtain the approval of the United States department of education to use the Michigan merit examination for the purposes of the federal no child left behind act of 2001, Public Law 107-110.

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

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

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

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

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

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

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

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

(iv) Is factually accurate. If the superintendent determines that a question is not factually accurate and should be removed from an assessment instrument, the state board and the superintendent shall ensure that the question is removed from the assessment instrument.

(5) Beginning with pupils completing grade 11 in 2006, a district shall include on each pupil's high school transcript all of the following:

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

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

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

(7) The Michigan merit examination shall be administered each year after March 1 and before June 1 to pupils in grade 11. The superintendent shall ensure that the Michigan merit examination is scored and the scores are returned to pupils, their parents or legal

guardians, and districts not later than the beginning of the pupil's first semester of grade 12. The returned scores shall indicate at least the pupil's scaled score for each subject area component and the range of scaled scores for each subject area. In reporting the scores to pupils, parents, and schools, the superintendent shall provide standards-specific, meaningful, and timely feedback on the pupil's performance on the Michigan merit examination.

(8) A pupil who does not qualify for a Michigan merit award scholarship under the Michigan merit award scholarship act, 1999 PA 94, MCL 390.1451 to 390.1459, and who wants to repeat the Michigan merit examination may repeat the Michigan merit examination in the next school year on a designated testing date. The first time a pupil repeats the Michigan merit examination under this subsection shall be without charge to the pupil, but the pupil is responsible for paying the cost of any subsequent repeat.

(9) The superintendent shall ensure that the length of the Michigan merit examination and the combined total time necessary to administer all of the components of the Michigan merit examination are the shortest possible that will still maintain the degree of reliability and validity of the Michigan merit examination results determined necessary by the superintendent. The superintendent shall ensure that the maximum total combined length of time that schools are required to set aside for administration of all of the components of the Michigan merit examination does not exceed 8 hours.

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

(11) To the greatest extent possible, the Michigan merit examination shall be based on grade level content expectations or course content expectations, as appropriate.

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

(13) In contracting under subsection (3), the department of management and budget shall consider a contractor that provides electronically-scored essays with the ability to score constructed response feedback in multiple languages and provide ongoing instruction and feedback.

(14) The purpose of the Michigan merit examination is to assess pupil performance in mathematics, science, social studies, and English language arts for the purpose of improving academic achievement and establishing a statewide standard of competency. The assessment under this section provides a common measure of data that will contribute to the improvement of Michigan schools' curriculum and instruction by encouraging alignment with Michigan's curriculum framework standards and promotes pupil participation in higher level mathematics, science, social studies, and English language arts courses. These

standards are based upon the expectations of what pupils should learn through high school and are aligned with national standards.

(15) As used in this section:

(a) “English language arts” means reading and writing.

(b) “Social studies” means United States history, world history, world geography, economics, and American government.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 92nd Legislature are enacted into law:

(a) Senate Bill No. 1153.

(b) Senate Bill No. 1154.

(c) Senate Bill No. 1156.

(d) Senate Bill No. 1157.

This act is ordered to take immediate effect.

Approved January 5, 2005.

Filed with Secretary of State January 5, 2005.

Compiler's note: The bills referred to in enacting section 1 were enacted into law as follows:

Senate Bill No. 1153 was filed with the Secretary of State January 5, 2005, and became P.A. 2004, No. 596, Imd. Eff. Jan. 5, 2005.

Senate Bill No. 1154 was filed with the Secretary of State January 5, 2005, and became P.A. 2004, No. 594, Imd. Eff. Jan. 5, 2005.

Senate Bill No. 1156 was filed with the Secretary of State January 5, 2005, and became P.A. 2004, No. 595, Imd. Eff. Jan. 5, 2005.

Senate Bill No. 1157 was filed with the Secretary of State January 5, 2005, and became P.A. 2004, No. 592, Imd. Eff. Jan. 5, 2005.

[No. 594]

(SB 1154)

AN ACT to amend 1996 PA 160, entitled “An act to establish a postsecondary enrollment options program for certain students enrolled in Michigan schools; to prescribe certain duties of public schools; to prescribe certain powers and duties of certain state departments, officials, and agencies; and to repeal acts and parts of acts,” by amending sections 3 and 9 (MCL 388.513 and 388.519), section 3 as amended by 1997 PA 178, and by adding section 3a.

The People of the State of Michigan enact:

388.513 Definitions.

Sec. 3. As used in this act:

(a) “Community college” means a community college established under the community college act of 1966, 1966 PA 331, MCL 389.1 to 389.195, or under part 25 of the revised school code, 1976 PA 451, MCL 380.1601 to 380.1607, or a federal tribally controlled community college located in this state that is recognized under the tribally controlled community college assistance act of 1978, 25 USC 1801 to 1852, and is determined by the department to meet the requirements for accreditation by a recognized regional accrediting body.

(b) “Department” means the department of education.

(c) “Eligible charges” means tuition and mandatory course fees, material fees, and registration fees required by an eligible institution for enrollment in an eligible course. Eligible charges also include any late fees charged by an eligible postsecondary institution due to the school district’s failure to make a required payment according to the timetable prescribed under this act. Eligible charges do not include transportation or parking costs or activity fees.

(d) “Eligible course” means a course offered by an eligible postsecondary institution that is not offered by the school district in which the eligible student is enrolled, or that is offered by the school district but is determined by the board of the school district to not be available to the eligible student because of a scheduling conflict beyond the eligible student’s control; that is an academic course not ordinarily taken as an activity course; that is a course that the postsecondary institution normally applies toward satisfaction of degree requirements; that is not a hobby craft or recreational course; and that is in a subject area other than physical education, theology, divinity, or religious education. However, until the 2006-2007 school year, for an eligible student who has not achieved state endorsement in all subject areas under section 1279 of the revised school code, 1976 PA 451, MCL 380.1279, an eligible course is limited to a course in a subject area for which he or she has achieved state endorsement, a course in computer science or foreign language not offered by the school district, or a course in fine arts as permitted by the school district. Beginning with eligibility to participate under this act during the 2006-2007 school year, for an eligible student who has not achieved a qualifying score in each subject area on a readiness assessment or the Michigan merit examination, as applicable for the student, an eligible course is limited to a course in a subject area for which he or she has achieved a qualifying score, a course in computer science or foreign language not offered by the school district, or a course in fine arts as permitted by the school district.

(e) “Eligible postsecondary institution” means a state university, community college, or independent nonprofit degree-granting college or university that is located in this state and that chooses to comply with this act.

(f) “Eligible student” means, except as otherwise provided in this subdivision, a student enrolled in at least 1 high school class in at least grade 11 in a school district in this state, except a foreign exchange pupil enrolled in a school district under a cultural exchange program. Until the 2006-2007 school year, to be an eligible student a student must have achieved state endorsement in all subject areas under section 1279 of the revised school code, 1976 PA 451, MCL 380.1279. However, if the student has not achieved state endorsement in all subject areas under that section, the student is an eligible student only for the limited purpose of enrolling in 1 or more eligible courses under this act in a subject area for which he or she has achieved state endorsement, in computer science or foreign language not offered by the school district, or in fine arts as permitted by the school district. Beginning with eligibility to participate under this act during the 2006-2007 school year, to be an eligible student a student who has not taken the Michigan merit examination must have achieved a qualifying score in all subject areas on a readiness assessment and a student who has taken the Michigan merit examination must have achieved a qualifying score in all subject areas on the Michigan merit examination. However, if the student has not achieved a qualifying score in all subject areas on a readiness assessment or the Michigan merit examination, as applicable for the student, the student is an eligible student only for the limited purpose of enrolling in 1 or more eligible courses under this act in a subject area for which he or she has achieved a qualifying score, in computer science or foreign language not offered by the school district, or in fine arts as permitted by the school district.

(g) “Intermediate school district” means that term as defined in section 4 of the revised school code, 1976 PA 451, MCL 380.4.

(h) “Michigan merit examination” means that examination developed under section 1279g of the revised school code, 1976 PA 451, MCL 380.1279g.

(i) “Qualifying score” means a score on a readiness assessment or the Michigan merit examination that has been determined by the superintendent of public instruction to indicate readiness to enroll in a postsecondary course in that subject area under this act.

(j) “Readiness assessment” means assessment instruments that are aligned with state learning standards; that are used nationally to provide high school students with an early indication of college readiness proficiency in English, mathematics, reading, social studies, and science and may contain a comprehensive career planning program; and that are approved by the superintendent of public instruction for the purposes of this act.

(k) “School district” means that term as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6, a local act school district as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5, or a public school academy as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5.

(l) “State university” means a state institution of higher education described in section 4, 5, or 6 of article VIII of the state constitution of 1963.

388.513a Readiness assessment; duties of superintendent of public instruction.

Sec. 3a. (1) Not later than July 1, 2005, the superintendent of public instruction shall do both of the following:

(a) Approve 1 or more readiness assessments that may be used for the purposes of determining eligible students beginning with participation in the 2006-2007 school year. Readiness assessments shall be aligned with state learning standards and shall provide high school students with an early indication of proficiency in the subject areas of English, mathematics, reading, social studies, and science and contain a comprehensive career planning program.

(b) Determine qualifying scores for each subject area component of a readiness assessment that indicate readiness to enroll in a postsecondary course in that subject area under this act.

(2) Not later than July 1, 2006, the superintendent of public instruction shall determine qualifying scores for each subject area component of the Michigan merit examination that indicate readiness to enroll in a postsecondary course in that subject area under this act.

(3) Unless the school district in which the student is enrolled elects to pay these costs, a student who takes a readiness assessment for the purposes of this act is responsible for paying all costs for taking and obtaining qualifying scores on a readiness assessment for the purposes of this act. This state is not responsible for any of these costs.

388.519 Information and counseling services.

Sec. 9. (1) Each school district shall provide information to all high school students on the postsecondary enrollment options under this act, including enrollment eligibility; the institutions and types of courses that are eligible for participation; the decision making process for granting academic credits; an explanation of eligible charges that will be paid by the school district and of financial arrangements for eligible charges and for paying costs not paid for by the school district; eligibility for payment of all or part of eligible charges by the school district under this act; an explanation that, if the student qualifies for payment of all or part of eligible charges by the school district under this act, the school district will pay that support directly to the postsecondary institution upon being billed by the postsecondary institution and that the student is not responsible for that

payment but is responsible for payment of costs not paid for under this act; available support services; the need to arrange an appropriate schedule; consequences of failing or not completing a postsecondary course in which the eligible student enrolls; the effect of enrolling in a postsecondary course on the eligible student's ability to complete the required high school graduation requirements; and the academic and social responsibilities that must be assumed by the eligible student and his or her parent or guardian.

(2) To the extent possible, a school district shall provide counseling services to an eligible student and his or her parent or guardian before the eligible student enrolls in postsecondary courses under this act to ensure that the eligible student and his or her parent or guardian are fully aware of the benefits, risks, and possible consequences of enrolling in a postsecondary course. The person providing the counseling shall encourage the eligible student and his or her parent or guardian to also use available counseling services at the eligible postsecondary institutions before the quarter or semester of enrollment to ensure that anticipated plans are appropriate. A school district may provide the counseling required under this section in a group meeting if additional personalized counseling is also made available.

(3) Before enrolling in an eligible course at an eligible postsecondary institution under this act, an eligible student and his or her parent or guardian shall file with the eligible postsecondary institution a signed form provided by the eligible student's school district stating that the student is an eligible student and has received the information and counseling specified in subsections (1) and (2) and that the student understands the responsibilities that must be assumed in enrolling in the course. Upon request, the department shall provide technical assistance to a school district and to an eligible postsecondary institution in developing appropriate forms and counseling guidelines for purposes of this section.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 92nd Legislature are enacted into law:

- (a) Senate Bill No. 1153.
- (b) Senate Bill No. 1155.
- (c) Senate Bill No. 1156.
- (d) Senate Bill No. 1157.

This act is ordered to take immediate effect.

Approved January 5, 2005.

Filed with Secretary of State January 5, 2005.

Compiler's note: The bills referred to in enacting section 1 were enacted into law as follows:

Senate Bill No. 1153 was filed with the Secretary of State January 5, 2005, and became P.A. 2004, No. 596, Imd. Eff. Jan. 5, 2005.

Senate Bill No. 1155 was filed with the Secretary of State January 5, 2005, and became P.A. 2004, No. 593, Imd. Eff. Jan. 5, 2005.

Senate Bill No. 1156 was filed with the Secretary of State January 5, 2005, and became P.A. 2004, No. 595, Imd. Eff. Jan. 5, 2005.

Senate Bill No. 1157 was filed with the Secretary of State January 5, 2005, and became P.A. 2004, No. 592, Imd. Eff. Jan. 5, 2005.

[No. 595]

(SB 1156)

AN ACT to amend 1999 PA 94, entitled "An act to create the Michigan merit award scholarship trust fund; to create the Michigan merit award scholarship board and prescribe the powers and duties of the board; and to provide for the Michigan merit award scholarship program," by amending sections 2, 6, 7, 8, and 9 (MCL 390.1452, 390.1456,

390.1457, 390.1458, and 390.1459), sections 2 and 7 as amended by 2002 PA 736, section 6 as amended by 2002 PA 537, and section 8 as amended by 2004 PA 69, and by adding sections 7a and 7b.

The People of the State of Michigan enact:

390.1452 Definitions.

Sec. 2. As used in this act:

(a) “Approved postsecondary educational institution” means any of the following:

(i) A degree or certificate granting public or private college or university, junior college, or community college.

(ii) A service academy.

(iii) An educational institution, other than an educational institution described in subparagraph (i) or (ii), granting degrees, certificates, or other recognized credentials and designated by the board as an approved postsecondary educational institution.

(iv) A program of an educational institution, other than an educational institution described in subparagraph (i) or (ii), granting degrees, certificates, or other recognized credentials and designated by the board as an approved postsecondary educational institution.

(b) “Assessment test” means the middle school assessment test, the high school assessment test, or the Michigan merit examination.

(c) “Board” means the Michigan merit award board established in this act.

(d) “Department of career development” means the department of career development created in Executive Order No. 1999-1.

(e) “Eligible costs” means tuition and fees charged by an approved postsecondary educational institution; related costs for room, board, books, supplies, transportation, or day care; and other costs determined by the board.

(f) “Fiscal year” means the fiscal year of this state.

(g) “High school assessment test” means the state assessments described in section 1279 of the revised school code, 1976 PA 451, MCL 380.1279, and section 104a of the state school aid act, 1979 PA 94, MCL 388.1704a.

(h) “Michigan merit award scholarship” means a scholarship awarded by the board under section 7 or 7a.

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

(j) “Middle school assessment test” means the Michigan education assessment program (MEAP) subject area assessments given in grades 7 and 8 or any successor assessment test designated by the board.

(k) “Qualifying results” means assessment test results, scores, or ranges of scores determined by the board that qualify a pupil for a Michigan merit award scholarship under section 7 or 7a.

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

(m) “State board” means the state board of education.

(n) “Superintendent” means the superintendent of public instruction.

(o) “Tobacco settlement revenue” means money received by this state that is attributable to the master settlement agreement incorporated into a consent decree and final judgment entered on December 7, 1998 in Kelley Ex Rel. Michigan v Philip Morris Incorporated, et al., Ingham county circuit court, docket no. 96-84281CZ.

(p) “Trust fund” means the Michigan merit award trust fund established in section 3.

390.1456 Conduct of business; compliance with open meetings act; availability of writings; availability of questions and answers; report on activities; changes of results, scores, or ranges.

Sec. 6. (1) The board shall conduct business in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. The board shall give public notice of the time, date, and place of meetings of the board in the manner required by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(2) The board shall meet not less than annually and shall keep a record of its proceedings. The board shall make any writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function available to the public in compliance with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(3) Except as provided in subsection (4), the board shall obtain and make available to the public all of the qualifying questions and answers, along with the corresponding answer key, to a high school assessment test or a middle school assessment test administered at least 3 and not more than 5 years earlier. The board shall obtain and make available to the public preparatory materials for the Michigan merit examination that contain sample test questions and correct answers.

(4) If any question is designated by the state board of education for use in a future high school assessment test or middle school assessment test for validity purposes, the board may elect not to make that question and the answer available to the public under subsection (3) for a period of up to 2 years from the date the assessment test that first includes the question is administered.

(5) By December 1 of each year, the board shall submit a report on its activities to the governor and to the legislature. The report shall contain all of the following information:

(a) A list of approved postsecondary educational institutions for the current and immediately preceding fiscal years.

(b) The number of Michigan merit award scholarships awarded and the total amount of Michigan merit award scholarship money paid in the immediately preceding fiscal year.

(c) A projection of revenues and expenditures from the trust fund for the current fiscal year and the next 10 fiscal years.

(d) The dollar amount of the Michigan merit award scholarships available under sections 7 and 7a in the current fiscal year, the amount of any adjustments to the dollar amount under sections 7(4) and 7a(2) from the beginning of the immediately preceding fiscal year, and any adjustments to the dollar amount projected for the remainder of the current fiscal year or for the next fiscal year.

(e) All of the following results, scores, or ranges of scores:

(i) Used as qualifying results in the immediately preceding fiscal year.

(ii) Determined by the board as qualifying results in the current fiscal year.

(iii) Projected by the board as qualifying results for the next fiscal year.

(f) For the immediately preceding fiscal year, the number of pupils who took the assessment tests, the number of pupils by subject area who received qualifying results,

the number of graduating high school seniors who met the requirements for a Michigan merit award scholarship, and the total number of pupils who met the requirements for a Michigan merit award scholarship.

(g) The number of persons participating in and the amount awarded in the immediately preceding fiscal year under the tuition incentive program described in section 310 of 2003 PA 144 or a successor to that program.

(6) At least 60 days before changing the results, scores, or ranges of scores used as qualifying results, the board shall provide written notice of its intent to change the results, scores, or ranges of scores used as qualifying results, and a report explaining the board's decision to change the results, scores, or ranges of scores used as qualifying results, to the standing committees of the senate and the house of representatives that have primary jurisdiction over legislation pertaining to education. The standing committees shall review the board's report and may hold hearings on the board's decision.

390.1457 Michigan merit award scholarship program; establishment; administration; eligibility of students for award; requirements; adjustment of available amount; review and approval of assessment test; additional award.

Sec. 7. (1) The Michigan merit award scholarship program is established. The board shall administer the Michigan merit award scholarship program.

(2) Subject to subsection (6) and section 7b(2) and (5), and to adjustment under subsection (4), each student enrolled in grade 11 in or after the 1998-1999 school year and before the 2006-2007 school year who meets the requirements of section 7b(1) is eligible for the award of a \$2,500.00 Michigan merit award scholarship if the student is enrolled in an approved postsecondary educational institution in this state or in a service academy, or the award of a \$1,000.00 Michigan merit award scholarship if the student is enrolled in an approved postsecondary educational institution outside this state other than a service academy, if the board finds that the student while in high school has taken the high school assessment test in the subject areas of reading, writing, mathematics, and science and meets 1 of the following:

(a) Has received qualifying results in each of the subject areas of reading, writing, mathematics, and science.

(b) Did not receive qualifying results in 1 or 2 of the subject areas of reading, writing, mathematics, and science, but received an overall score in the top 25% of a nationally recognized college admission examination.

(c) Did not receive qualifying results in 1 or 2 of the subject areas of reading, writing, mathematics, and science, but received a qualifying score or scores as determined by the board on a nationally recognized job skills assessment test designated by the board.

(3) Subject to subsection (6) and section 7b(5) and to adjustment under subsection (4), each student enrolled in grade 11 in or after the 2006-2007 school year who meets the requirements of section 7b(1) is eligible for the award of a \$2,500.00 Michigan merit award scholarship if the student is enrolled in an approved postsecondary educational institution in this state or in a service academy, or the award of a \$1,000.00 Michigan merit award scholarship if the student is enrolled in an approved postsecondary educational institution outside this state other than a service academy, if the board finds that the student while in high school has taken the Michigan merit examination and meets 1 of the following:

(a) Has received qualifying results in each of the subject area components of the Michigan merit examination.

(b) Did not receive qualifying results in each of the subject area components of the Michigan merit examination, but received an overall score in the top 25% of a nationally recognized college admission examination.

(c) Did not receive qualifying results in each of the subject area components of the Michigan merit examination, but received a qualifying score or scores as determined by the board on a nationally recognized job skills assessment test designated by the board.

(4) In any fiscal year, the board may adjust the amount of a Michigan merit award scholarship available to students eligible under 1 or more of subsections (2), (3), and (5), based upon its determination of available resources and amounts appropriated, but the board shall not increase an amount by more than 5% in any fiscal year. The board shall notify the governor, the speaker of the house of representatives, and the majority leader of the senate in writing at least 30 days before an adjustment under this subsection.

(5) If a student who has previously received a \$1,000.00 Michigan merit award scholarship under this section as a student enrolled in an approved postsecondary educational institution outside of this state other than a service academy enrolls in an approved postsecondary educational institution in this state and meets the requirements of section 7b(1), and subject to adjustment under subsection (4), the student is eligible for the award of an additional \$1,500.00 Michigan merit award scholarship.

(6) If the United States department of education has not approved the use of the Michigan merit examination for the purposes of the federal no child left behind act of 2001, Public Law 107-110, by December 31, 2006, all of the following apply:

(a) Eligibility for a Michigan merit award scholarship under this section shall be determined under subsection (2) until the next calendar year that begins after that approval occurs.

(b) Eligibility for a Michigan merit award scholarship under this section shall be determined under subsection (3) beginning in the next calendar year that begins after that approval occurs.

390.1457a Student taking middle school assessment test while in grades 7 and 8; eligibility for Michigan merit award scholarships; adjustment of amount.

Sec. 7a. (1) Subject to section 7b(2) and to adjustment under subsection (2), a student who was enrolled in grade 7 in or after the 1999-2000 school year, who meets the requirements of section 7b(1), and who the board finds has taken the middle school assessment test in each of the subject areas while in grades 7 and 8 is eligible for 1 of the following Michigan merit award scholarships:

(a) If the board finds that the student while in grades 7 and 8 received qualifying results in 2 of the subject areas of reading, writing, mathematics, and science, a Michigan merit award scholarship of \$250.00.

(b) If the board finds that the student while in grades 7 and 8 received qualifying results in 3 of the subject areas of reading, writing, mathematics, and science, a Michigan merit award scholarship of \$375.00.

(c) If the board finds that the student while in grades 7 and 8 received qualifying results in all of the subject areas of reading, writing, mathematics, and science, a Michigan merit award scholarship of \$500.00.

(2) In any fiscal year, the board may adjust the amount of a Michigan merit award scholarship available to students eligible under subsection (1) based upon its determination of available resources and amounts appropriated, but the board shall not increase an

amount by more than 5% in any fiscal year. The board shall notify the governor, the speaker of the house of representatives, and the majority leader of the senate in writing at least 30 days before an adjustment under this subsection.

390.1457b Michigan merit award scholarship; eligibility requirements; failure to initially achieve qualifying results; nonpublic or home school pupil.

Sec. 7b. (1) In addition to the requirements set forth in section 7(2) or (3) or section 7a(1), to be eligible for the award of a Michigan merit award scholarship under this act, the board must find that a student satisfies all of the following:

(a) The student has graduated from high school or passed the general educational development (GED) test or other graduate equivalency examination approved by the state board.

(b) The student graduated from high school or passed the general educational development (GED) test or other graduate equivalency examination approved by the state board within 1 of the following time periods:

(i) If the student graduated from high school or passed the test or examination before March 1, 2002, within the 7-year period preceding the student's application to receive his or her Michigan merit award scholarship money.

(ii) If the student graduated on or after March 1, 2002, within the 4-year period preceding the date of the student's application to receive his or her Michigan merit award scholarship money, or if the student becomes a member of the United States armed forces or peace corps during this 4-year period and serves for 4 years or less, the 4-year period is extended by a period equal to the number of days the student served as a member of the United States armed forces or peace corps. The board may also extend the 4-year period if the board determines that an extension is warranted because of an illness or disability of the student or in the student's immediate family or another family emergency.

(c) The student is enrolled in an approved postsecondary educational institution. For students who qualify under section 7(2)(c), the student is enrolled in a vocational or technical education program at an approved postsecondary educational institution.

(d) The student has not been convicted of a felony involving an assault, physical injury, or death.

(e) The student satisfies any additional eligibility requirements established by the board.

(2) For a middle school assessment test or high school assessment test administered after January 1, 2000, the board shall not use that assessment test to determine eligibility for a Michigan merit award scholarship under this section for a particular year unless the board has reviewed and approved that assessment test before it was administered for that year.

(3) The board shall provide each pupil written notice of whether or not the pupil is eligible for the award of 1 or more Michigan merit award scholarships described in this act. If the pupil is eligible, the written notice shall also contain the Michigan merit award scholarship amount for which the pupil is eligible, how the pupil applies for payment of Michigan merit award scholarship, and any other information the board considers necessary regarding qualification requirements or conditions relating to the use of the Michigan merit award scholarship.

(4) It is the intent of the legislature that the level of pupil performance required to achieve qualifying results in a subject area of an assessment test remains approximately the same, and that the board not reduce the required level of pupil performance as a means of increasing the number of Michigan merit award scholarships awarded.

(5) A pupil who does not initially receive qualifying results shall be extended an opportunity to achieve the requisite qualifying results by taking a subsequent assessment test. A pupil described in this subsection who is enrolled in grade 12 in the 2006-2007 school year, or enrolled in grade 12 in the first calendar year after the approval described in section 7(6) occurs if that subsection applies, may elect either of the following:

(a) To take the high school assessment test for the purpose of qualifying for a Michigan merit award scholarship under section 7(2).

(b) To take the Michigan merit examination for the purpose of qualifying for a Michigan merit award scholarship under section 7(3).

(6) A nonpublic school pupil or home school pupil may take, and the board shall administer if requested, an assessment test at a site designated by the board.

390.1458 Scholarship; use; payment; installments; consideration in determining financial aid program; certification or affirmation by student; request or application for payment; disbursement of funds.

Sec. 8. (1) Michigan merit award scholarship money shall be used only to pay for eligible costs.

(2) The board shall determine the manner and form of application for payment of a Michigan merit award scholarship by a student eligible under this act and the procedure for payment to the student or to an approved postsecondary educational institution on the student's behalf, subject to 1 of the following, as applicable:

(a) As determined by the board, upon the request of a student or parent or legal guardian of a minor student, the board may pay a Michigan merit award scholarship in 2 consecutive annual installments rather than 1 lump sum for a student who graduates from high school or passes the general educational development (GED) test or approved graduate equivalency examination before March 1, 2003.

(b) For each student who graduates from high school or passes the general educational development (GED) test or approved graduate equivalency examination on or after March 1, 2003 and before March 1, 2004, the board shall pay a Michigan merit award scholarship in 2 consecutive annual installments, beginning in the state fiscal year for which the student is otherwise eligible. The first installment shall not exceed 50% of the award amount, and the second installment shall consist of the remaining award amount. Verification that the student has met the enrollment criteria under section 7b(1)(c) is required before payment of the second installment.

(c) For each student who graduates from high school or passes the general educational development (GED) test or approved graduate equivalency examination on or after March 1, 2004, the board shall pay a Michigan merit award scholarship in 2 consecutive annual installments, beginning in the state fiscal year that begins after the beginning of the academic year for which the student is otherwise eligible. The first installment shall not exceed 50% of the award amount, and the second installment shall consist of the remaining award amount. Verification that the student has met the enrollment criteria under section 7b(1)(c) is required before payment of the second installment.

(3) An approved postsecondary educational institution shall not consider a Michigan merit award scholarship in determining a student's eligibility for a financial aid program

administered by this state. It is the intent of the legislature that an approved postsecondary educational institution not reduce institutionally-funded student aid because of the Michigan merit award scholarship program.

(4) Before payment of a Michigan merit award scholarship to a student or an approved postsecondary educational institution, the student shall certify or affirm in writing to the board each of the following:

(a) That the student is enrolled at an approved postsecondary educational institution.

(b) The name of the approved postsecondary educational institution in which the student is enrolled.

(c) That the student agrees to use the Michigan merit award scholarship only for eligible costs.

(d) That the student has not been convicted of a felony involving an assault, physical injury, or death.

(e) That the student graduated from high school or passed the general educational development (GED) test or approved graduate equivalency examination within 1 of the following time periods:

(i) If the student graduated from high school or passed the test or examination before March 1, 2002, within the 7-year period preceding the date of the student's application to receive his or her Michigan merit award scholarship.

(ii) If the student graduated on or after March 1, 2002, within the 4-year period preceding the date of the student's application to receive his or her Michigan merit award scholarship, or within a period equal to 4 years plus the number of days the student served as a member of the United States armed forces or peace corps if the student became a member of the United States armed forces or peace corps during this 4-year period and served for 4 years or less. The board may also extend the 4-year period if the board determines that an extension is warranted because of an illness or disability of the student or in the student's immediate family or another family emergency.

(5) The board shall not begin disbursing funds for a Michigan merit award scholarship to a student or an approved postsecondary educational institution on behalf of the student unless it receives the request or application for payment, including the written certification or affirmation described in this section, from the student on or before 1 of the following dates, for disbursement in that academic year:

(a) In the 2002-2003 academic year, January 15.

(b) In the 2003-2004 academic year, September 15 if the student received notification of eligibility prior to August 1.

(c) In the 2003-2004 academic year, November 15 if the student received notification of eligibility on or after August 1.

(d) In the 2004-2005 academic year, December 15.

(e) In any other academic year, November 15.

390.1459 Rules.

Sec. 9. The board may promulgate rules pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement and administer this act, including, but not limited to, 1 or more of the following:

(a) Rules establishing the board's administrative procedures.

(b) Rules governing the qualification requirements for or the award of Michigan merit award scholarships under this act.

(c) Rules establishing an appeals process from a determination of ineligibility for a Michigan merit award scholarship.

(d) Rules establishing what information or reports a student or postsecondary educational institution must provide to establish eligibility and when that information or those reports must be provided.

(e) Rules prescribing the reports to be made by a student awarded 1 or more Michigan merit award scholarships and by a postsecondary educational institution to which the Michigan merit award scholarship is paid.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 92nd Legislature are enacted into law:

- (a) Senate Bill No. 1153.
- (b) Senate Bill No. 1154.
- (c) Senate Bill No. 1155.
- (d) Senate Bill No. 1157.

This act is ordered to take immediate effect.

Approved January 5, 2005.

Filed with Secretary of State January 5, 2005.

Compiler's note: The bills referred to in enacting section 1 were enacted into law as follows:

Senate Bill No. 1153 was filed with the Secretary of State January 5, 2005, and became P.A. 2004, No. 596, Imd. Eff. Jan. 5, 2005.
Senate Bill No. 1154 was filed with the Secretary of State January 5, 2005, and became P.A. 2004, No. 594, Imd. Eff. Jan. 5, 2005.
Senate Bill No. 1155 was filed with the Secretary of State January 5, 2005, and became P.A. 2004, No. 593, Imd. Eff. Jan. 5, 2005.
Senate Bill No. 1157 was filed with the Secretary of State January 5, 2005, and became P.A. 2004, No. 592, Imd. Eff. Jan. 5, 2005.

[No. 596]

(SB 1153)

AN ACT to amend 1976 PA 451, entitled "An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies, intermediate school districts, and other public school entities; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, intermediate school districts, and other public school entities; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts," by amending sections 1278, 1279, 1279a, 1279c, 1279d, and 1525 (MCL 380.1278, 380.1279, 380.1279a, 380.1279c, 380.1279d, and 380.1525), sections 1278 and 1279c as amended by 1995 PA 289, sections 1279 and 1279d as amended by 2004 PA 399, section 1279a as added by 2002 PA 592, and section 1525 as amended by 2003 PA 202, and by adding section 1279g.

The People of the State of Michigan enact:

380.1278 Core academic curriculum.

Sec. 1278. (1) In addition to the requirements for accreditation under section 1280 specified in that section, if the board of a school district wants all of the schools of the school district to be accredited under section 1280, the board shall provide to all pupils attending public school in the district a core academic curriculum in compliance with subsection (3) in each of the curricular areas specified in the state board recommended model core academic curriculum content standards developed under subsection (2). The state board model core academic curriculum content standards shall encompass academic and cognitive instruction only. For purposes of this section, the state board model core academic curriculum content standards shall not include attitudes, beliefs, or value systems that are not essential in the legal, economic, and social structure of our society and to the personal and social responsibility of citizens of our society.

(2) Recommended model core academic curriculum content standards shall be developed and periodically updated by the state board, shall be in the form of knowledge and skill content standards that are recommended as state standards for adoption by public schools in local curriculum formulation and adoption, and shall be distributed to each school district in the state. The recommended model core academic curriculum content standards shall set forth desired learning objectives in math, science, reading, history, geography, economics, American government, and writing for all children at each stage of schooling and be based upon the “Michigan K-12 program standards of quality” to ensure that high academic standards, academic skills, and academic subject matters are built into the instructional goals of all school districts for all children. The state board also shall ensure that the Michigan educational assessment program and the Michigan merit examination are based on the state recommended model core curriculum content standards, are testing only for proficiency in basic and advanced academic skills and academic subject matter, and are not used to measure pupils’ values or attitudes.

(3) The board of each school district, considering academic curricular objectives defined and recommended pursuant to subsection (2), shall do both of the following:

(a) Establish a core academic curriculum for its pupils at the elementary, middle, and secondary school levels. The core academic curriculum shall define academic objectives to be achieved by all pupils and shall be based upon the school district’s educational mission, long-range pupil goals, and pupil performance objectives. The core academic curriculum may vary from the model core academic curriculum content standards recommended by the state board pursuant to subsection (2).

(b) After consulting with teachers and school building administrators, determine the aligned instructional program for delivering the core academic curriculum and identify the courses and programs in which the core academic curriculum will be taught.

(4) The board may supplement the core academic curriculum by providing instruction through additional classes and programs.

(5) For all pupils, the subjects or courses, and the delivery of those including special assistance, that constitute the curriculum the pupils engage in shall assure the pupils have a realistic opportunity to learn all subjects and courses required by the district’s core academic curriculum. A subject or course required by the core academic curriculum pursuant to subsection (3) shall be provided to all pupils in the school district by a school district, a consortium of school districts, or a consortium of 1 or more school districts and 1 or more intermediate school districts.

(6) To the extent practicable, the state board may adopt or develop academic objective-oriented high standards for knowledge and life skills, and a recommended core

academic curriculum, for special education pupils for whom it may not be realistic or desirable to expect achievement of initial mastery of the state board recommended model core academic content standards objectives or of a high school diploma.

(7) The state board shall make available to all nonpublic schools in this state, as a resource for their consideration, the model core academic curriculum content standards developed for public schools pursuant to subsection (2) for the purpose of assisting the governing body of a nonpublic school in developing its core academic curriculum.

(8) Excluding special education pupils, pupils having a learning disability, and pupils with extenuating circumstances as determined by school officials, a pupil who does not score satisfactorily on the 4th or 7th grade Michigan educational assessment program reading test shall be provided special assistance reasonably expected to enable the pupil to bring his or her reading skills to grade level within 12 months.

(9) Any course that would have been considered a nonessential elective course under Snyder v Charlotte School Dist., 421 Mich 517 (1984), on April 13, 1990 shall continue to be offered to resident pupils of nonpublic schools on a shared time basis.

380.1279 State assessments to high school pupils.

Sec. 1279. (1) Subject to subsection (13) and section 1279g, until the end of the 2005-2006 school year, the board of a school district or board of directors of a public school academy shall administer state assessments to high school pupils in the subject areas of English language arts, mathematics, science, and social studies. The board shall include on the pupil's high school transcript all of the following:

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

(b) If the pupil's scaled score on a subject area assessment falls within the range required under subsection (2) for "exceeds expectations", "meets expectations", or "basic", an indication that the pupil has achieved state endorsement for that subject area.

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

(2) The superintendent of public instruction shall develop scaled scores for reporting subject area assessment results for each of the subject areas under this section. The superintendent of public instruction shall establish 4 categories for each subject area indicating exceeds expectations, meets expectations, basic, and below basic, and shall establish the scaled score range required for each category. The superintendent of public instruction shall design and distribute to school districts, intermediate school districts, public school academies, and nonpublic schools a simple and concise document that describes these categories in each subject area and indicates the scaled score ranges for each category in each subject area. A school district or public school academy may award a high school diploma to a pupil who successfully completes local school district or public school academy requirements established in accordance with state law for high school graduation, regardless of whether the pupil is eligible for any state endorsement.

(3) The assessments administered for the purposes of this section shall be administered to pupils during the last 90 school days of grade 11. The superintendent of public instruction shall ensure that the assessments are scored and the scores are returned to pupils, their parents or legal guardians, and school districts or public school academies not later than the beginning of the pupil's first semester of grade 12. The returned scores shall indicate the pupil's scaled score for each subject area assessment, the range of scaled scores for each subject area, and the range of scaled scores required for each category established under subsection (2). In reporting the scores to pupils, parents, and schools,

the superintendent of public instruction shall provide specific, meaningful, and timely feedback on the pupil's performance on the assessment.

(4) Beginning with assessments conducted in the 2005-2006 school year, all of the following apply to the assessments under this section:

(a) The superintendent of public instruction shall ensure that any contractor used for scoring the assessment supplies an individual report for each pupil that will identify for the pupil's parents and teachers whether the pupil met expectations or failed to meet expectations for each standard, to allow the pupil's parents and teachers to assess and remedy problems before the pupil moves to the next grade.

(b) The superintendent of public instruction shall ensure that any contractor used for scoring, developing, or processing an assessment instrument meets quality management standards commonly used in the assessment industry, including at least meeting level 2 of the capability maturity model developed by the software engineering institute of Carnegie Mellon university for the 2005-2006 school year assessments and at least meeting level 3 of the capability maturity model for subsequent assessments.

(c) The superintendent of public instruction shall ensure that any contract it enters into for scoring, administering, or developing an assessment instrument includes specific deadlines for all steps of the assessment process, including, but not limited to, deadlines for the correct testing materials to be supplied to schools and for the correct results to be returned to schools, and includes penalties for noncompliance with these deadlines.

(d) The superintendent of public instruction shall ensure that the assessment instruments meet all of the following:

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

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

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

(iv) Are factually accurate. If the superintendent of public instruction determines that a question is not factually accurate and should be removed from an assessment instrument, the state board and the superintendent of public instruction shall ensure that the question is removed from the assessment instrument.

(5) For each pupil who does not achieve proficiency in 1 or more subject areas, the board of the school district or public school academy in which the pupil is enrolled shall provide that there be at least 1 meeting attended by at least the pupil and a member of the school district's or public school academy's staff or a local or intermediate school district consultant who is proficient in the measurement and evaluation of pupils. The school district or public school academy may provide the meeting as a group meeting for pupils in similar circumstances. If the pupil is a minor, the school district or public school academy shall invite and encourage the pupil's parent, legal guardian, or person in loco parentis to attend the meeting and shall mail a notice of the meeting to the pupil's parent, legal guardian, or person in loco parentis. The purpose of this meeting and any subsequent meeting under this subsection shall be to determine an educational program for the pupil designed to have the pupil achieve state endorsement in each subject area in which he or she did not achieve state endorsement. In addition, a school district or public school academy may provide for subsequent meetings with the pupil conducted by a high school counselor or teacher designated by the pupil's high school principal, and shall invite and encourage the pupil's parent, legal guardian, or person in loco parentis to attend the subsequent meetings. The school district or public school academy shall provide special programs for the pupil or develop a program using the educational programs regularly provided by the district unless the board of the school district or public school academy decides otherwise and publishes and explains its decision in a public justification report.

(6) A pupil who wants to repeat an assessment administered under this section may repeat the assessment, without charge to the pupil, in the next school year or after graduation. An individual may repeat an assessment at any time the school district or public school academy administers an applicable assessment instrument or during a retesting period under subsection (8).

(7) The superintendent of public instruction shall ensure that the length of the assessments used for the purposes of this section and the combined total time necessary to administer all of the assessments are the shortest possible that will still maintain the degree of reliability and validity of the assessment results determined necessary by the superintendent of public instruction. The superintendent of public instruction shall ensure that the maximum total combined length of time that schools are required to set aside for administration of all of the assessments used for the purposes of this section does not exceed 8 hours. However, this subsection does not limit the amount of time that individuals may have to complete the assessments.

(8) The superintendent of public instruction shall establish, schedule, and arrange periodic retesting periods throughout the year until the end of the 2006-2007 school year for individuals who desire to repeat an assessment under this section. The superintendent of public instruction shall coordinate the arrangements for administering the repeat assessments and shall ensure that the retesting is made available at least within each intermediate school district and, to the extent possible, within each school district.

(9) A school district or public school academy shall provide accommodations to a pupil with disabilities for the assessments required under this section, as provided under section 504 of title V of the rehabilitation act of 1973, 29 USC 794; subtitle A of title II of the Americans with disabilities act of 1990, 42 USC 12131 to 12134; the individuals with disabilities education act amendments of 1997, Public Law 105-17; and the implementing regulations for those statutes.

(10) For the purposes of this section, the superintendent of public instruction shall develop or select and approve assessment instruments to measure pupil performance in English language arts, mathematics, social studies, and science. The assessment instruments shall be based on grade level content expectations or course content expectations, as appropriate.

(11) All assessment instruments developed or selected and approved by the state under any statute or rule for a purpose related to K to 12 education shall be objective-oriented and consistent with grade level content expectations or course content expectations, as appropriate.

(12) Until the end of the 2006-2007 school year, a person who has graduated from high school after 1996 and who has not previously taken an assessment under this section may take an assessment used for the purposes of this section, without charge to the person, at the school district from which he or she graduated from high school at any time that school district administers the assessment or during a retesting period scheduled under subsection (8) and have his or her scaled score on the assessment included on his or her high school transcript. If the person's scaled score on a subject area assessment falls within the range required under subsection (2) for a category established under subsection (2), the school district shall also indicate on the person's high school transcript that the person has achieved state endorsement for that subject area.

(13) Until the end of the 2006-2007 school year, a person who has previously taken an assessment under this section may take a retest on the assessment for the purposes of qualifying for a Michigan merit award under the Michigan merit award scholarship act, 1999 PA 94, MCL 390.1451 to 390.1459. The person may take the retest, without charge to the person, at the school district in which he or she is enrolled or resides or, if it is not

available in that school district, at another location within the intermediate school district in which he or she resides, at a regular testing time scheduled for the assessment or during a retesting period scheduled under subsection (8).

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

(15) The purpose of the assessment under this section is to assess pupil performance in mathematics, science, social studies, and communication arts for the purpose of improving academic achievement and establishing a statewide standard of competency. The assessment under this section provides a common measure of data that will contribute to the improvement of Michigan schools' curriculum and instruction by encouraging alignment with Michigan's curriculum framework standards. These standards are based upon the expectations of what pupils should know and be able to do by the end of grade 11.

(16) As used in this section:

(a) "English language arts" means reading and writing.

(b) "Social studies" means United States history, world history, world geography, economics, and American government.

380.1279a Report of irregularities; notice to school district or public school academy.

Sec. 1279a. If the superintendent of public instruction has reason to suspect that there are irregularities in a school district's or public school academy's administration of, or preparation of pupils for, a Michigan educational assessment program (MEAP) test or the Michigan merit examination, the superintendent of public instruction shall not report the suspected irregularities to any person or entity not involved in the scoring or administration of the test before notifying the school district or public school academy of the suspected irregularities and allowing at least 5 business days for school officials to respond.

380.1279c Use of tests to measure pupils' values or attitudes prohibited.

Sec. 1279c. The state board, the superintendent of public instruction, the board of each school district, and each public school academy shall ensure that the Michigan educational assessment program (MEAP) tests and the Michigan merit examination are not used to measure pupils' values or attitudes.

380.1279d Report of irregularities to any person or entity involved in scoring or administration.

Sec. 1279d. If the superintendent of public instruction or any other state agency has reason to suspect that there are irregularities in a school district's or public school academy's administration of, or preparation of pupils for, a Michigan educational assessment program (MEAP) test or the Michigan merit examination, the superintendent of

public instruction or other state agency shall not report the suspected irregularities to any person or entity not involved in the scoring or administration of the test before notifying the school district or public school academy of the suspected irregularities and allowing at least 5 business days for school officials to respond.

380.1279g Michigan merit examination.

Sec. 1279g. (1) Beginning in the 2006 calendar year, the board of a school district or board of directors of a public school academy shall comply with this section and shall administer the state assessments under section 1279 or the Michigan merit examination to pupils in grade 11 as provided in this section, as follows:

(a) For pupils in grade 11 in the 2005-2006 school year, the provisions concerning state assessments under section 1279 apply to all pupils in grade 11 and the Michigan merit examination shall be administered to a sample of pupils in grade 11 statewide, as identified by the department. The pupils to be included in this sample shall be determined by the department as the department determines necessary to seek the approval of the United States department of education to use the Michigan merit examination for the purposes of the federal no child left behind act of 2001, Public Law 107-110.

(b) Subject to subdivision (c), for pupils in grade 11 in the 2006-2007 school year and subsequent school years, the Michigan merit examination shall be offered to all pupils in grade 11.

(c) If the United States department of education has not approved the use of the Michigan merit examination for the purposes of the federal no child left behind act of 2001, Public Law 107-110, by December 31, 2006, all of the following apply:

(i) The provisions concerning state assessments under section 1279 shall continue to apply to all pupils in grade 11 until the next calendar year that begins after that approval occurs.

(ii) The Michigan merit examination shall be offered to all pupils in grade 11 beginning in the next calendar year that begins after that approval occurs.

(iii) If it is necessary as part of the process of continuing to seek the approval of the United States department of education to use the Michigan merit examination for the purposes of the federal no child left behind act of 2001, Public Law 107-110, the department may again provide for the administration of both the state assessments under section 1279 and the Michigan merit examination to a sample of pupils in grade 11 statewide as described in subdivision (a).

(2) The department shall take all steps necessary, including, but not limited to, conducting a content alignment study and statistical analyses, to obtain the approval of the United States department of education to use the Michigan merit examination for the purposes of the federal no child left behind act of 2001, Public Law 107-110, by not later than December 31, 2006 or as soon thereafter as possible.

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

(a) Assessment instruments that measure English language arts, mathematics, reading, and science and are used by colleges and universities in this state for entrance or placement purposes.

(b) One or more tests from 1 or more test developers that assess a pupil's ability to apply reading and mathematics skills in a manner that is intended to allow employers to use the results in making employment decisions.

(c) A social studies component.

(d) Any other component that is necessary to obtain the approval of the United States department of education to use the Michigan merit examination for the purposes of the federal no child left behind act of 2001, Public Law 107-110.

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

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

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

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

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

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

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

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

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

(5) Beginning with pupils completing grade 11 in 2006, a school district or public school academy that operates a high school shall include on each pupil's high school transcript all of the following:

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

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

(6) The superintendent of public instruction shall work with the provider or providers of the Michigan merit examination to produce Michigan merit examination subject area

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

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

(8) A pupil who does not qualify for a Michigan merit award scholarship under the Michigan merit award scholarship act, 1999 PA 94, MCL 390.1451 to 390.1459, and who wants to repeat the Michigan merit examination may repeat the Michigan merit examination in the next school year on a designated testing date. The first time a pupil repeats the Michigan merit examination under this subsection shall be without charge to the pupil, but the pupil is responsible for paying the cost of any subsequent repeat.

(9) The superintendent of public instruction shall ensure that the length of the Michigan merit examination and the combined total time necessary to administer all of the components of the Michigan merit examination are the shortest possible that will still maintain the degree of reliability and validity of the Michigan merit examination results determined necessary by the superintendent of public instruction. The superintendent of public instruction shall ensure that the maximum total combined length of time that schools are required to set aside for administration of all of the components of the Michigan merit examination does not exceed 8 hours.

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

(11) To the greatest extent possible, the Michigan merit examination shall be based on grade level content expectations or course content expectations, as appropriate.

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

(13) In contracting under subsection (3), the department of management and budget shall consider a contractor that provides electronically-scored essays with the ability to score constructed response feedback in multiple languages and provide ongoing instruction and feedback.

(14) The purpose of the Michigan merit examination is to assess pupil performance in mathematics, science, social studies, and English language arts for the purpose of improving academic achievement and establishing a statewide standard of competency. The assessment under this section provides a common measure of data that will contribute to the improvement of Michigan schools' curriculum and instruction by encouraging alignment with Michigan's curriculum framework standards and promotes pupil participation in higher level mathematics, science, social studies, and English language arts courses. These standards are based upon the expectations of what pupils should learn through high school and are aligned with national standards.

(15) As used in this section:

(a) "English language arts" means reading and writing.

(b) "Social studies" means United States history, world history, world geography, economics, and American government.

380.1525 Funds to support professional development and education; use; approval of annual plan; disapproval of funding.

Sec. 1525. (1) State and federal funds appropriated by the legislature to support professional development and education may be used for the following:

(a) Professional development programs for administrators and teachers. These programs shall emphasize the improvement of teaching and pupils' learning of academic core curriculum objectives, as measured by Michigan educational assessment program, the Michigan merit examination, and other criterion - reference assessments; collaborative decision-making; site-based management; the process of school improvement; instructional leadership; and the use of data and assessment instruments to improve teaching and learning for all pupils.

(b) A biennial education policy leadership institute. The state board shall organize and convene a biennial education policy leadership institute for the governor, the lieutenant governor, the state board, the state superintendent, the legislature, and the presidents of the state board approved teacher education institutions, and the staff of each as may be considered appropriate, to examine the most current public education policy issues and initiatives and the appropriate role of policy leaders.

(c) A statewide academy for school leadership established by the state board.

(d) A principal leadership academy. The department, in collaboration with statewide associations of school principals, shall establish the principal leadership academy. The principal leadership academy shall consist of training for school principals that is conducted by other school principals who have a record of demonstrated success in improving pupil performance. The department shall solicit input from school district superintendents and intermediate superintendents to compile a list of successful school principals who would likely be effective in conducting the training at the principal leadership academy and shall select school principals to conduct the training from this list. The training shall include all aspects of successful school leadership, including at least all of the following:

(i) Strategies for increasing parental involvement.

(ii) Strategies for engaging community support and involvement.

(iii) Creative problem-solving.

(iv) Financial decision-making.

(v) Management rights and techniques.

(vi) Other strategies for improving school leadership to achieve better pupil performance.

(e) Community leadership development. The state board, in conjunction with intermediate school districts, shall conduct a leadership development training program in each school district for members of the community.

(f) Promotion of high educational standards. The state board, in collaboration with the business community and educators, shall coordinate and assist in the promotion of a statewide public education and information program concerning the need to achieve world class educational standards in the public schools of this state.

(g) Sabbatical leaves. School districts shall provide sabbatical leaves for up to 1 academic year for selected master teachers who aid in professional development.

(h) Any other purpose authorized in the appropriation for professional development in the state school aid act of 1979.

(2) In order to receive professional development funding described in subsection (1), each school district and intermediate school district shall prepare and submit to the state board for approval an annual professional development plan.

(3) The state board may disapprove for state funding proposed professional development that the state board finds to be 1 or more of the following:

(a) Not in furtherance of core academic curriculum needs.

(b) Not constituting serious, informed innovation.

(c) Of generally inferior overall quality or depth regardless of who sponsors or conducts the education or training.

(d) Not in compliance with the requirements of section 1526.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 92nd Legislature are enacted into law:

(a) Senate Bill No. 1154.

(b) Senate Bill No. 1155.

(c) Senate Bill No. 1156.

(d) Senate Bill No. 1157.

This act is ordered to take immediate effect.

Approved January 5, 2005.

Filed with Secretary of State January 5, 2005.

Compiler's note: The bills referred to in enacting section 1 were enacted into law as follows:

Senate Bill No. 1154 was filed with the Secretary of State January 5, 2005, and became P.A. 2004, No. 594, Imd. Eff. Jan. 5, 2005.

Senate Bill No. 1155 was filed with the Secretary of State January 5, 2005, and became P.A. 2004, No. 593, Imd. Eff. Jan. 5, 2005.

Senate Bill No. 1156 was filed with the Secretary of State January 5, 2005, and became P.A. 2004, No. 595, Imd. Eff. Jan. 5, 2005.

Senate Bill No. 1157 was filed with the Secretary of State January 5, 2005, and became P.A. 2004, No. 592, Imd. Eff. Jan. 5, 2005.