

# SENATE BILL No. 243

March 8, 2011, Introduced by Senators CASWELL, GREEN and HUNTER and referred to the Committee on Education.

A bill to amend 1931 PA 327, entitled

"An act to provide for the organization, regulation and classification of corporations; to provide their rights, powers and immunities; to prescribe the conditions on which corporations may exercise their powers; to provide for the inclusion of certain existing corporations within the provisions of this act; to prescribe the terms and conditions upon which foreign corporations may be admitted to do business within this state; to require certain annual reports to be filed by corporations; to prescribe penalties for the violations of the provisions of this act; and to repeal certain acts and parts of acts relating to corporations,"

by amending section 184a (MCL 450.184a), as added by 2006 PA 420.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 184a. (1) An ecclesiastical corporation that ~~meets all of~~  
2 ~~the following criteria~~ **WAS INCORPORATED UNDER THIS ACT BEFORE**  
3 **JANUARY 1, 2012** may organize and operate a religious college under  
4 this section. ÷

~~1 (a) The ecclesiastical corporation was incorporated under this  
2 act before January 1, 2007.~~

~~3 (b) At the time it organizes the religious college, according  
4 to the most recent federal decennial census, the ecclesiastical  
5 corporation is located in a county with a population of more than  
6 17,500 and fewer than 23,500 residents.~~

(2) A religious college organized and operated under this section must meet all of the following criteria:

(a) The religious college is organized and operated by an ecclesiastical corporation as a division of the ecclesiastical corporation and is not separately incorporated.

(b) The religious college began operating before January 1, 2007–2012.

(c) The ecclesiastical corporation retains control of the religious college for denominational purposes.

(d) The religious college has an academic advisory board to assist the religious college in the development of its educational programs. The board shall consist of at least 4 individuals, appointed by the ecclesiastical corporation, who represent similar religious colleges located in the United States.

(e) The religious college offers postsecondary educational programs that are solely designed for, directed toward, and attended by students who seek to learn the particular religious faith or beliefs of the ecclesiastical corporation.

(f) The sole purposes of the educational programs of the religious college are to prepare students for ordination or appointment as a member of the clergy of a church, denomination, or

1 religious association, order, or sect or to enter into other  
2 vocations directly related to the particular faith of the  
3 ecclesiastical corporation.

4 (g) The religious college does not offer general or liberal  
5 arts educational programs or any other postsecondary educational  
6 programs other than those described in this subsection.

7 (3) All of the following apply to the name of a religious  
8 college organized and operated by an ecclesiastical corporation  
9 under this section:

10 (a) The ecclesiastical corporation may use the word "college"  
11 in the name of the religious college. However, immediately  
12 following the name of the religious college, the ecclesiastical  
13 corporation shall clearly and prominently indicate on any signs,  
14 official school publications, letterhead, business cards, websites,  
15 or other similar written documents that include the name of the  
16 religious college that the religious college is a division of the  
17 ecclesiastical corporation.

18 (b) If the ecclesiastical corporation uses the word "college"  
19 in the name of the religious college, it shall provide a copy of  
20 each certificate of assumed name filed by the ecclesiastical  
21 corporation with the department of labor and economic growth for  
22 the name of the religious college to the bureau of career education  
23 within the department of labor and economic growth.

24 (4) Subject to subsection (5), a religious college may award 1  
25 of the following degrees to a student of the religious college who  
26 satisfactorily completes a course of study prescribed by the  
27 ecclesiastical corporation for that degree:

1 (a) If the course of study requires at least 60 semester hours  
2 or equivalent of study, an associate of biblical studies, an  
3 associate of religious studies, an associate of theology, an  
4 associate of church administration, or another substantially  
5 similar associate degree that does not include the word "arts",  
6 "science", "business", or "applied".

7 (b) If the course of study requires at least 120 semester  
8 hours or equivalent of study, a bachelor of biblical studies, a  
9 bachelor of religious studies, a bachelor of theology, or another  
10 substantially similar bachelor's degree that does not include the  
11 word "arts", "science", "business", or "applied".

12 (c) If the course of study requires a bachelor's degree and at  
13 least 30 additional semester hours or equivalent of study, a master  
14 of theology, a master of biblical studies, a master of religious  
15 studies, or another substantially similar master's degree that does  
16 not include the word "arts", "science", "business", or "applied".

17 (d) If the course of study requires a bachelor's degree and at  
18 least 90 additional semester hours or equivalent of study,  
19 including, but not limited to, dissertation credits or research  
20 study, a doctor of theology, a doctor of biblical studies, a doctor  
21 of religious studies, or another substantially similar doctoral  
22 degree that does not include the word "arts", "science",  
23 "business", or "applied".

24 (5) A religious college shall clearly and prominently state  
25 all of the following on a student's diploma, certificate of  
26 graduation, transcript, or any other document prepared by or  
27 provided by the religious college to establish or verify that the

1 student had attended the religious college or completed a course of  
2 study at the religious college:

3 (a) For a degree awarded by the religious college, the name of  
4 the degree, including the religious limitation on that degree  
5 required under subsection (4). A religious limitation required for  
6 a degree title under subsection (4) shall immediately precede or be  
7 part of the degree title wherever the degree title appears in the  
8 diploma or other document.

9 (b) That the religious college is not licensed, approved, or  
10 otherwise endorsed by the state of Michigan.

11 (c) For any document described in this subsection other than a  
12 diploma, that the state of Michigan does not guarantee that any of  
13 the degrees or credits granted by the religious college will be  
14 recognized by any organization for any purpose.

15 (6) A diploma, certificate of graduation, or other evidence of  
16 attendance at a religious college entitles the lawful recipient to  
17 all the privileges and immunities that by custom or usage are  
18 allowed to holders of similar diplomas or certificates granted by  
19 similar institutions in this country. However, if an occupation or  
20 profession is regulated by statute as to the requirements and  
21 qualifications necessary to the practice of that occupation or  
22 profession, the diploma or certificate of graduation does not  
23 entitle the recipient to any privilege or immunity if those  
24 statutory requirements or qualifications are not complied with.

25 (7) An ecclesiastical corporation is not required to obtain  
26 the approval of or a license from the department of labor and  
27 economic growth to operate a religious college under this section

1 in this state and the operation of the religious college and its  
2 educational programs are not subject to the supervision of that  
3 department. However, if an ecclesiastical corporation does not  
4 obtain the approval of or a license from the department of labor  
5 and economic growth to operate a religious college, the  
6 ecclesiastical corporation shall clearly and prominently print a  
7 disclaimer on all of its application materials, course catalogs,  
8 brochures, websites, and other similar publications that states all  
9 of the following:

10 (a) The religious college is a division of the ecclesiastical  
11 corporation.

12 (b) The educational programs offered by the religious college  
13 are solely designed for, directed toward, and attended by students  
14 preparing for ordination or appointment as a member of the clergy  
15 of a church, denomination, or religious association, order, or sect  
16 or preparing to enter into another vocation directly related to the  
17 particular faith of the ecclesiastical corporation.

18 (c) The religious college is not licensed, approved, or  
19 otherwise endorsed by the state of Michigan and that the state of  
20 Michigan does not guarantee that any of the degrees or credits  
21 granted by the religious college will be recognized by any  
22 organization for any purpose.

23 (8) In any application materials, course catalogs, brochures,  
24 websites, or other publications made available by the religious  
25 college, the religious college shall include the religious  
26 limitation on that degree required under subsection (4), either  
27 immediately preceding or as part of the degree title, wherever the

1 degree title appears in the document or publication.

2 (9) Every 2 years, an ecclesiastical corporation organizing or  
3 operating a religious college shall submit a sworn affidavit to the  
4 department of labor and economic growth that certifies that the  
5 religious college complies with the requirements of this section  
6 and includes all of the following:

7 (a) The name of the religious college. The name stated in the  
8 affidavit must comply with subsection (3).

9 (b) A statement that the religious college offers only  
10 educational programs designed for, directed toward, and attended by  
11 students preparing for ordination or appointment as a member of the  
12 clergy of a church, denomination, or religious association, order,  
13 sect, or preparing to enter into another vocation directly related  
14 to the particular faith of the ecclesiastical corporation.

15 (c) A statement that each diploma, certificate of graduation,  
16 transcript, or other document described in subsection (5) prepared  
17 or provided by the religious college complies with that subsection.

18 (d) A statement that each document provided or publication  
19 made available by the religious college under subsection (8)  
20 complies with that subsection.

21 (e) A statement that the religious college does not accept  
22 state or federal assistance for its educational programs and does  
23 not accept students who are receiving state or federal financial  
24 aid under any higher education loan, grant, or scholarship program.

25 (10) An ecclesiastical corporation organizing or operating a  
26 religious college shall annually provide the department with a  
27 surety bond that meets all of the following:

1 (a) It is conditioned to provide indemnification to any  
2 student suffering loss because of inability to complete an  
3 educational program at the religious college due to the closing of  
4 the religious college.

5 (b) It expires on June 30 following the date of issuance and  
6 the ecclesiastical corporation shall submit proof of renewal for an  
7 additional 1-year period to the department of labor and economic  
8 growth before the date of expiration.

9 (c) The amount of the security bond is 1 of the following,  
10 whichever is higher:

11 (i) An amount determined by multiplying the number of students  
12 enrolled in the religious college by \$200.00.

13 (ii) The amount of \$5,000.00.

14 (11) An ecclesiastical corporation operating a religious  
15 college that is in compliance with the requirements of this section  
16 is authorized to conduct business as a religious college and offer  
17 postsecondary educational programs in this state.