

(ii) Upon the creation of a community mental health authority, the employees of the former community mental health services program shall be transferred to the new authority and appointed as employees subject to all rights and benefits for 1 year. Such employees of the new community mental health authority shall not be placed in a worse position by reason of the transfer for a period of 1 year with respect to workers' compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance, or any other benefit that the employee enjoyed as an employee of the former community mental health services program. Employees who are transferred shall not by reason of the transfer have their accrued pension benefits or credits diminished.

(iii) If the former county community mental health agency or community mental health organization was the designated employer or participated in the development of a collective bargaining agreement, the newly established community mental health authority shall assume and be bound by the existing collective bargaining agreement. The formation of a community mental health authority shall not adversely affect any existing rights and obligations contained in the existing collective bargaining agreement. For purposes of this provision, participation in the development of a collective bargaining agreement means that a representative of the community mental health agency or organization actively participated in bargaining sessions with the employer representative and union or was consulted with during the bargaining process.

(f) Any other matter consistent with this act that is necessary to assure operation of the community mental health authority as agreed upon by the creating county or counties.

(3) If a county community mental health agency or a community mental health organization becomes a community mental health authority pursuant to this section, both of the following apply:

(a) All assets, debts, and obligations of the county community mental health agency or community mental health organization, including, but not limited to, equipment, furnishings, supplies, cash, and other personal property, shall be transferred to the community mental health authority.

(b) All the privileges and immunities from liability and exemptions from laws, ordinances, and rules that are applicable to county community mental health agencies or community mental health organizations and their board members, officers, and administrators, and county elected officials and employees of county government are retained by the authority and the board members, officers, agents, and employees of an authority created under this section.

(4) In addition to other powers of a community mental health services program as set forth in this act, a community mental health authority has all of the following powers, whether or not they are specified in the enabling resolution:

(a) To fix and collect charges, rates, rents, fees, or other charges and to collect interest.

(b) To make purchases and contracts.

(c) To transfer, divide, or distribute assets, liabilities, or contingent liabilities, unless the community mental health authority is a single-county community mental health services program and the county has notified the department of its intention to terminate participation in the community mental health services program. During the interim period between notification by a county under section 220 of its intent to terminate participation in a multi-county community mental health services program and the official termination of that participation, a community mental health authority's power under this subdivision is subject to any agreement between the community mental health authority and the county that is terminating participation, if that agreement is consistent with the enabling resolution that created the authority.

(d) To accept gifts, grants, or bequests and determine the manner in which those gifts, grants, or bequests may be used consistent with the donor's request.

(e) To acquire, own, operate, maintain, lease, or sell real or personal property. Before taking official action to sell residential property, however, the authority shall do all of the following:

(i) Implement a plan for alternative housing arrangements for recipients residing on the property.

(ii) Provide the recipients residing on the property or their legal guardians, if any, an opportunity to offer their comments and concerns regarding the sale and planned alternatives.

(iii) Respond to those comments and concerns in writing.

(f) To do the following in its own name:

(i) Enter into contracts and agreements.

(ii) Employ staff.

(iii) Acquire, construct, manage, maintain, or operate buildings or improvements.

(iv) Subject to subdivision (e), acquire, own, operate, maintain, lease, or dispose of real or personal property, unless the community mental health authority is a single-county mental health services program and the county has notified the department of its intention to terminate participation in the community mental health services program. During the interim period between notification by a county under section 220 of its intent to terminate participation in a multi-county community mental health services program and the official termination of that participation, a community mental health authority's power under this subdivision is subject to any agreement between the community mental health authority and the county that is terminating participation, if that agreement is consistent with the enabling resolution that created the authority.

(v) Incur debts, liabilities, or obligations that do not constitute the debts, liabilities, or obligations of the creating county or counties.

(vi) Commence litigation and defend itself in litigation.

(g) To invest funds in accordance with statutes regarding investments.

(h) To set up reserve accounts, utilizing state funds in the same proportion that state funds relate to all revenue sources, to cover vested employee benefits including, but not limited to, accrued vacation, health benefits, the employee payout portion of accrued sick leave, if any, and worker's compensation. In addition, an authority may set up reserve accounts for depreciation of capital assets and for expected future expenditures for an organizational retirement plan.

(i) To develop a charge schedule for services provided to the public and utilize the charge schedule for first and third-party payers. The charge schedule may include charges that are higher than costs for some service units by spreading nonrevenue service unit costs to revenue-producing service unit costs with total charges not exceeding total costs. All revenue over cost generated in this manner shall be utilized to provide services to priority populations.

(5) In addition to other duties and responsibilities of a community mental health services program as set forth in this act, a community mental health authority shall do all of the following:

(a) Provide to each county creating the authority and to the department a copy of an annual independent audit performed by a certified public accountant in accordance with governmental auditing standards issued by the comptroller of the United States.

(b) Be responsible for all executive administration, personnel administration, finance, accounting, and management information system functions. The authority may discharge this responsibility through direct staff or by contracting for services.

(6) A county that has created a community mental health authority is not liable for any intentional, negligent, or grossly negligent act or omission, for any financial affairs, or for any obligation of a community mental health authority, its board, employees, representatives, or agents. This subsection applies only to county government.

(7) A community mental health authority shall not levy any type of tax or, except as provided in subsection (13), issue any type of bond in its own name or financially obligate any unit of government other than itself.

(8) An employee of a community mental health authority is not a county employee. The community mental health authority is the employer with regard to all laws pertaining to employee and employer rights, benefits, and responsibilities.

(9) As a public governmental body, a community mental health authority is subject to the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, except for those documents produced as a part of the peer review process required in section 143a and made confidential by section 748(9).

(10) A community mental health authority may borrow money to finance or refinance the purchase of real property or tangible personal property of the authority. These contractual obligations shall be secured by a mortgage on the real property or a security interest or other lien on the tangible personal property. These contractual obligations shall be for not longer than the useful life of the collateral and shall be authorized by resolution approved by a majority of the community mental health board. A mortgage given by a community mental health authority to finance the purchase of real property under this subsection is not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(11) A community mental health authority may enter into an installment purchase agreement for the purchase or refinancing of tangible personal property for public purposes. The installment purchase agreement for the purchase of tangible personal property shall not be for a longer term than the useful life of the tangible personal property. The installment purchase agreements described in this subsection are not subject to the provisions of the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. The total of all outstanding installment purchase agreements under this subsection shall not exceed 1% of the taxable value of all property located within the area served by that community mental health authority.

(12) If a community mental health authority has financed the purchase of property in a substantially similar manner to that as described in subsection (10) or (11), prior to the effective date of the amendatory act that added this subsection, that purchase is ratified as if it was made under subsection (10) or (11).

(13) A community mental health authority may borrow money and issue notes by resolution of a majority vote of its governing board, which notes shall not exceed 20% of the previous year's annual income and shall mature not more than 18 months from the date of their issuance. Notes shall be issued for the purpose of meeting the expenses of the community mental health authority, including the expenses of operation and maintenance of its facilities, and payments due to its contracted service providers. The resolution authorizing the issuance of the notes shall provide for the pledge of income and revenues of the community mental health authority for the payment of the notes, and may also provide for a special sinking fund into which there may be paid, as collected, a sufficient fund from the revenues of the community mental health authority to retire both the principal of and interest on the notes at or before maturity. The resolution may also

authorize 1 or more officers or board members of the authority to provide for the mortgage, pledge, or grant of security interests or other liens in other assets of the community mental health authority as additional security for the payment of notes. Notes issued by a community mental health authority under this subsection are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

This act is ordered to take immediate effect.

Approved May 23, 2002.

Filed with Secretary of State May 23, 2002.

[No. 344]

(HB 5851)

AN ACT to repeal 1919 PA 305, entitled “An act to authorize the issue of bonds; to provide sites for and for the erection thereon of public libraries and for additions to and improvements of such sites and the buildings thereon, whether now existing or hereafter acquired, in cities, villages and school districts where free public libraries have or may hereafter be established,” (MCL 397.241 to 397.246).

The People of the State of Michigan enact:

Repeal of §§ 397.241 to 397.246.

Enacting section 1. 1919 PA 305, MCL 397.241 to 397.246, is repealed.

This act is ordered to take immediate effect.

Approved May 23, 2002.

Filed with Secretary of State May 23, 2002.

[No. 345]

(HB 5852)

AN ACT to amend 1988 PA 265, entitled “An act to authorize district libraries to acquire, construct, or furnish real or personal property for use for library purposes; to authorize district libraries to borrow money and issue bonds and notes and refunding bonds and notes for those acquisitions; and to authorize district libraries to levy a tax for, and to pledge their full faith and credit to, the payment of contracts, bonds, and notes,” by amending sections 4, 5, and 9 (MCL 397.284, 397.285, and 397.289), sections 4 and 5 as amended by 1989 PA 25.

The People of the State of Michigan enact:

397.284 Limitation on borrowing money or issuing bonds or notes; conditions to issuance of general obligation unlimited tax bonds; ballot question.

Sec. 4. (1) A district library shall not borrow money or issue bonds or notes for a sum that, together with the total outstanding bonded indebtedness of the district library, exceeds 5% of the state equalized valuation of the taxable property within the district.

(2) A district library shall not issue general obligation unlimited tax bonds unless all of the following conditions are met:

(a) The board adopts a resolution submitting the question of issuing general obligation unlimited tax bonds or notes to the electors of the district.

(b) The question of issuing general obligation unlimited tax bonds or notes is certified by the board and the election is conducted in the manner provided in sections 14 to 23 of the district library establishment act, 1989 PA 24, MCL 397.184 to 397.193, for an election for a districtwide tax.

(c) A majority of the qualified electors of the district voting on the question approve the issuing of the general obligation unlimited tax bonds.

(3) The question of issuing general obligation unlimited tax bonds pursuant to subsection (2) shall be submitted by ballot in substantially the following form:

“Shall the district library, formed by _____,
county[ies] of _____, State of Michigan, borrow the
sum of not to exceed _____ dollars (\$_____) and issue
its general obligation unlimited tax bonds for all or a portion of that amount
for the purpose of _____?”

Yes [] No []”

397.285 Issuance of limited tax bonds or notes by resolution.

Sec. 5. Except as otherwise provided in section 4, a district library may issue limited tax bonds or notes by resolution of the board, without submitting the question to the electors of the district.

397.289 Bonds subject to revised municipal finance act.

Sec. 9. Bonds issued pursuant to this act are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

This act is ordered to take immediate effect.

Approved May 23, 2002.

Filed with Secretary of State May 23, 2002.

[No. 346]

(HB 5854)

AN ACT to amend 1913 PA 261, entitled “An act to authorize boards of education to provide for the maintenance of free public libraries existing under the control of boards of education of the cities; to authorize and empower said boards of education to raise or borrow money and issue bonds in sufficient sum to purchase property or site, erect and maintain buildings for use as a free public library and other educational purposes,” by amending section 2 (MCL 397.262).

The People of the State of Michigan enact:

397.262 Boards of education; raising money for purchase of property; bonds; issuance; approval by electors; issuance subject to revised municipal finance act.

Sec. 2. (1) Boards of education in cities having the control of free public libraries by reason of existing charters or otherwise are hereby authorized and empowered to raise

money, either by including the amount in their annual estimates or by borrowing on the faith and credit of the school district and issuing certificates or bonds to secure the payment of the amount borrowed, sufficient to purchase property for a site and to provide the money necessary to erect, equip, and maintain buildings for a free public library and other educational uses.

(2) Bonds provided for in this act shall not be issued until the question of the issuance of those bonds has been submitted to the electors of the district affected and approved by a majority of the electors voting on the question.

(3) Bonds issued under this act are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

This act is ordered to take immediate effect.

Approved May 23, 2002.

Filed with Secretary of State May 23, 2002.

[No. 347]

(HB 5707)

AN ACT to amend 1899 PA 188, entitled “An act to provide for the taxation of estates and generation-skipping transfers of property; to prescribe the powers and duties of certain personal representatives and state departments; to provide for the assessment and collection of the tax; and to provide for the administration and enforcement of this act,” by amending sections 1a, 6, 11, 14, and 17 (MCL 205.201a, 205.206, 205.211, 205.214, and 205.217), section 6 as amended by 1993 PA 54.

The People of the State of Michigan enact:

205.201a Death taxes of estates of non-resident decedents; executor or administrator; duties; filing and form of proof; notice to domiciliary state; final account; applicability; construction.

Sec. 1a. (1) The terms “death tax” and “death taxes”, as used in the 5 following subsections, include inheritance, succession, transfer and estate taxes and any taxes levied against the estate of a decedent upon the occasion of his or her death.

(2) Before the expiration of 18 months after the qualification in any probate court in this state of any executor of the will or administrator of the estate of any non-resident decedent, the executor or administrator shall file with the court proof that all death taxes, together with interest or penalties on those taxes, which are due to the state of domicile of the decedent, or to any political subdivision, have been paid or secured, or that no taxes, interest, or penalties are due, as the case may be, unless it appears that letters testamentary or of administration have been issued on the estate of the decedent in the state of his or her domicile, in subsections (3), (4), (5), or (6), called the domiciliary state.

(3) The proof required by subsection (2) may be in the form of a certificate issued by the official or body charged with the administration of the death tax laws of the domiciliary state. If that proof has not been filed within the time limited in subsection (2), and if within that time it does not appear that letters testamentary or of administration have been issued in the domiciliary state, the register of probate shall immediately upon the expiration of the time notify by mail the official or body of the domiciliary state charged with the administration of the death tax laws with respect to that estate, and

shall state in the notice so far as is known to him or her the name, date of death, and last domicile of the decedent, the name and address of each executor or administrator, a summary of the values of the real estate, tangible personalty, and intangible personalty, wherever situated, belonging to the decedent at the time of his or her death, and the fact that the executor or administrator has not filed the proof required in subsection (2). The register shall attach to the notice a plain copy of the will and codicils of the decedent, if he or she died testate, or, if he or she died intestate, a list of his or her heirs and next of kin, so far as is known to such register. Within 60 days after the mailing of the notice the official or body charged with the administration of the death tax laws of the domiciliary state may file with the probate court in this state a petition for an accounting in the estate, and the official or body of the domiciliary state shall, for the purposes of this section, be a party interested for the purpose of petitioning the probate court for the accounting. If the petition is filed within 60 days, the probate court shall order an accounting. When the accounting is filed and approved, the probate court shall decree either the payment of any tax found to be due to the domiciliary state or subdivision of that state or the remission to a fiduciary, appointed or to be appointed by the probate court or other court charged with the administration of estates of decedents of the domiciliary state, of the balance of the intangible personalty after the payment of creditors and expenses of administration in this state.

(4) No final account of an executor or administrator of a non-resident decedent shall be allowed unless 1 of the following applies:

(a) Proof has been filed as required by subsection (2).

(b) Notice under subsection (3) has been given to the official or body charged with the administration of the death tax laws of the domiciliary state, and either of the following applies:

(i) That official or body has not petitioned for an accounting under subsection (3) within 60 days after the mailing of the notice.

(ii) An accounting has been had under subsection (3), a decree has been made upon the accounting, and it appears that the executor or administrator has paid the sums and remitted such securities, if any, as he was required to pay or remit by such decree.

(c) It appears that letters testamentary or of administration have been issued by the domiciliary state and that no notice has been given under subsection (3).

(5) Subsections (1) to (4), inclusive, shall apply to the estate of a non-resident decedent, only in case the laws of the domiciliary state contain a provision, of any nature or however expressed, whereby this state is given reasonable assurance, as finally determined by the state treasurer, of the collection of its death taxes, interest and penalties from the estates of decedents dying domiciled in this state, when the estates are administered in whole or in part by a probate court, or other court charged with the administration of estates of decedents, in such other state.

(6) Subsections (1) to (5) shall be liberally construed in order to ensure that the domiciliary state of any non-resident decedent whose estate is administered in this state shall receive any death taxes, together with interest and penalties thereon, due to it from the estate of the decedent.

205.206 Tax refund.

Sec. 6. If any debt shall be allowed against the estate of a decedent after the payment of any legacy or distributive share from which any tax has been deducted or upon which it has been paid by the person entitled to the legacy or distributive share, and that person is required to refund the amount of the debts, an equitable proportion of the tax shall,

upon the order of the court, be paid to him or her by the executor, administrator, trustee or other person, if the tax has not been paid to the state of Michigan. When any amount of said tax shall have been paid erroneously to the state of Michigan by reason of the allowance of debts or otherwise, it shall be lawful for the state treasurer, upon satisfactory proof by the order or certificate of the proper court of the allowance of the debts or of the reversal, correction or alteration, in accordance with law, of the order fixing the tax, to draw his or her warrant upon the state treasury for the erroneous payment, to be refunded to the executor, administrator, trustee, person or persons entitled to receive it, and charge the warrant to the fund which receives credit from the payment of taxes under the provisions of this act. However, applications for the refunding of erroneous tax shall be made within 6 months from the allowance of the debts or the reversal, correction or alteration of the order.

205.211 Appraiser; appointment; appraisal of vested and contingent estates; insurance commissioner; duties; money legacy.

Sec. 11. The judge of probate, upon the application of any interested party, including the state treasurer and county treasurers, or upon his or her own motion, shall, as often as and whenever occasion may require, appoint a competent person as appraiser to fix the clear market value at the time of the transfer of property which shall be subject to the payment of any tax imposed by this act. A description of the property and the names and residences of the persons to whom it passes shall be given by the judge of probate to the appraiser. If the property, upon the transfer of which the tax is imposed, is an estate, income or interest for a term of years or for life, or determinable upon any future or contingent estate, or is a remainder or reversion or other expectancy, real or personal, the entire property or fund by which the estate, income or interest is supported, or of which it is a part, shall be appraised immediately after the transfer, or as soon thereafter as may be practicable, at the clear market value as of that date. If the estate, income or interest is of such a nature that its clear market value cannot be ascertained at that time, it shall be appraised in like manner at the time when the value first became ascertainable. The value of every future or contingent or limited estate, income, interest or annuity, dependent upon any life or lives in being, shall be determined by the rule, method or standard of mortality and value employed by the commissioner of the office of insurance and financial services in ascertaining the value of policies of life insurance companies, except that the rate of interest for computing the present value of all future and contingent interests or estates shall be 5% per annum. The commissioner of the office of insurance and financial services shall, upon request of the state treasurer, prepare the tables of values, expectancies and other matters as may be necessary for use in computing, under the provisions of this act, the value of life estates, annuities, reversions and remainders, which shall be printed and furnished by the auditor general to the several judges of probate upon request. The clear market value of the transfer of a money legacy, presently taxable, shall for the purposes of this act be taken to be the face value of the money at the date of death of decedent.

205.214 Collection of unpaid taxes; estate closed without payment.

Sec. 14. If the state treasurer or the treasurer of any county shall have reason to believe that any tax is due and unpaid under this act, after the refusal or neglect of the persons liable therefor to pay the same, he or she shall notify the attorney general in writing of that failure or neglect, and the attorney general may apply, or cause the prosecuting attorney of the county to apply, in behalf of the state, to the probate court for an order requiring the persons liable to pay the tax to appear before the court on a day specified, not more than 3 months after the date of the order, and show cause why the tax

should not be paid. The judge of probate upon such application, and whenever it shall appear to him or her that any such tax accruing under this act has not been paid as required by law, shall issue a citation, and the service of a citation, and the time, manner, and proof of the citation and the hearing and determination of the citation, and the enforcement of the determination or order made by the judge of probate shall conform to the practice of the probate court in like cases made and provided for the service of citations out of the probate court, and the hearing and determination thereon and its enforcement, so far as the same may be applicable. In all cases where an estate has been declared closed without fixing or payment of the tax upon the transfers therein, and the attorney general believes that the transfers are subject to a tax and the real estate in the estate is subject to a lien and anticipates the institution of proceedings for the fixing and enforcing, or the enforcing of the lien when it has been fixed, he or she may file with the register of deeds of the county a notice setting forth the fact together with a description of the real estate claimed to be subject to the lien which shall operate with the same force and effect as a *lis pendens* under existing statutes. However, the failure to file such notice shall not in any manner prejudice the rights of the state. The judge of probate or the probate clerk or register shall, upon the request of the attorney general, prosecuting attorney, or treasurer of the county, furnish 1 or more transcripts of such decree which shall be docketed and filed by the county clerk of any county of the state without fees, in the same manner and with the same effect as provided by law for filing and docketing transcripts, judgments, and decrees of circuit courts in this state. As a cumulative remedy for the collection of the tax, the state may proceed by an action of *assumpsit* in any court of competent jurisdiction. Whenever the probate judge issues a citation and undertakes the proceedings specified in this section, he or she shall certify that fact to the county treasurer, together with an itemized bill of all expenses incurred for the services of the citation, and other lawful disbursements not otherwise paid. Upon receipt of the bill, the county treasurer shall pay the bill from the general or contingent fund of the county. In all proceedings to which any county treasurer, or the state treasurer, is cited to appear under sections 11 and 12 of this act and all proceedings arising or instituted under this section, the attorney general shall represent the interests of the state, the compensation and expenses of necessary assistants and the expenses of the attorney general to be paid after approval by the attorney general on the warrant of the state treasurer out of the general fund in the state treasury.

205.217 Record books furnished by state treasurer; contents; entries; form.

Sec. 17. The state treasurer shall furnish to each judge of probate a book, which shall be a public record, in which the judge of probate shall enter a formal order containing the name of every decedent upon whose estate letters of administration or letters testamentary or ancillary letters have issued, the date of death, and place of residence at the time of death of the decedent, the names, places of residence and relationship to the decedent of his or her heirs at law, in case the decedent died intestate or left estate not disposed of by will; the names, places of residence, and relationship to the decedent of the legatees and devisees in the will of the decedent, in case the decedent died testate, the ages of all life tenants and beneficiaries under life estates, the clear market value of the decedent's real and personal property, the clear market value of the property, real and personal, passing to each heir, legatee and devisee, and the clear market value of annuities, life estates, terms of years, and other property of the decedent, or given by the decedent in his or her will and otherwise, as fixed and determined by the judge of probate, and the amount of tax assessed thereon, and the amount of tax assessed on the share of each heir, legatee and devisee, when from the records of the court or the testimony given there

appears to be property in such estate liable to tax under this act. However, a description of real estate need not be given unless the real estate is taxable under this act, in which case a sufficiently definite description shall be given to fully identify the taxable real estate and the persons to whom the several parcels are devised. The judge of probate shall also enter in the book the name, date of death, and place of residence at time of death of every decedent, grantor, vendor or donor who has made a transfer of property in contemplation of death or intended to take effect in possession or enjoyment at or after his or her death, subject to tax under this act; the name and residence of the grantee, vendee or donee and his or her relationship to the grantor, vendor or donor, the clear market value as determined by the judge of probate of the property so transferred by him or her and the tax determined by the court payable thereon. These entries shall be made from data contained in the papers filed in the probate court and testimony taken in any proceedings relating to the estate of the decedent. The judge of probate shall also enter in the book the amount of the real and personal property of the decedent as shown by the inventory thereof when made and filed in his or her office. If the judge of probate determines the amount of tax to be paid upon any legacies or devises or upon the real estate of a decedent or upon the estate of the decedent as a whole before the final determination of the tax by him or her, only such entries need be made in the book in that particular case as refer to the partial determination, and it shall be distinctly stated in the book that it is but a partial determination by the judge of probate of the tax due from the estate. Whenever the determination of the tax in such estate by the judge of probate is general, partial or final, the deductions made by the judge of probate from the full value of the estate shall be particularly specified, so that the several reasons for the deductions made clearly appear upon the record. The record required to be furnished by the state treasurer shall be in the following form, and shall be of such size and so arranged as he or she determines will best meet the requirements of this act:

Abstract of Taxable Inheritances. Vol. No. Page No.

State of Michigan.

The Probate Court for the County of

At a session of said court held at , in said county the day of , A.D.

Present, The Honorable , Probate Judge.

In the matter of the inheritance tax upon transfers in the estate of , deceased.

In this matter it being represented to me and appearing that the said deceased was, at the time of his or her death on the day of , a resident of and possessed property the transfer of which or some interest or estate therein is taxable under the Michigan estate tax act, 1899 PA 188, MCL 205.201 to 205.256; that of was duly and regularly appointed of the said estate and , and that as appears from the inventory on file in this court, the amount of property belonging to said estate is stated to be as follows:

Personal property, \$..... ; real property, \$.....

It further appears and I hereby find that the debts of said deceased owing at the time of his or her death (exclusive of interest accruing thereafter) amount to \$..... ; that the funeral expenses of said deceased amount to \$..... ; and that the expenses of administration of the estate of said decedent (exclusive of all items of disbursement for repairs to buildings or other property belonging to, or taxes accruing after death, upon the estate of said deceased, all allowances for the support of widow and children of said deceased, expenses incurred in contesting the will of said deceased, and other items of

disbursement for the benefit of the beneficiaries of said estate, not strictly expenses of administration) amount to the sum of \$.....; the total debts and expenses of administration being \$.....

After due and careful investigation, examination and consideration, I find and determine that the clear market value of all of said decedent's personal property and real estate, at the date of his or her death, was as follows: Personal property, \$.....; real property, \$....., and that after deduction therefrom of the total debts and expenses of administration (debts secured upon realty being deducted from the value of the real estate, and debts unsecured and secured on personalty being deducted from the value of the personalty), there remains subject to taxation under the provisions of said act before deducting statutory exemptions, transfers of personal property to the amount of \$.....; and transfers of real property to the amount of \$.....; and that of said transfers certain interests hereinafter set forth in detail in the schedule hereto are not presently taxable by reason of the following contingency, rendering it impossible to determine presently the value of the interests passing and the amount of the tax thereon, namely

And I hereby find and determine that the tax upon the presently taxable transfers in said estate amounts to the sum of \$..... and find that the several names, residences, relationships and ages, where interest consists of life estates or annuities, of the several beneficiaries, together with the character and amount of the several interests or estates passing thereto, the rate of tax to which each is subject, and the portion of the tax fixed upon, apportioned to, and required to be borne by each of the several taxable transfers, is as set forth in detail in the following schedule:

(The schedule shall contain the following headings for the several columns and space for sufficient entries, remarks, etc.)

A Name of Heir at Law, Legatee or Devisee to whom estate passes	B Residence	C Relationship	D Age of Life Tenant or Annuitant	E Rate of Tax %
F Value of Legacy or Personal Estate Passing	G Value of Personal Estate Exempt	H Value of Legacy or Personal Estate Taxable	I Amount of Tax on Personal Estate	J Value of Real Estate Passing
K Value of Real Estate Exempt	L Value of Real Estate Taxable	M Amount of Tax on Real Estate	N Value of Annuities, Life Estates, etc. Passing	O Value of Annuities, Life Estates, etc. Exempt
P Value of Annuities Life Estates, etc., Taxable	Q Amount of Tax on Annuities, Life Estates, etc.	R Total Amount of Tax		

Remarks: Including descriptions of real estate taxed and any explanations necessary to a complete understanding of the foregoing entries.

.....
Judge of Probate.

The department of treasury may prescribe and furnish to the judge of probate, in lieu of the book and the form prescribed in this section, a form or forms containing such data as is required for proper determination of the tax.

This act is ordered to take immediate effect.
Approved May 23, 2002.
Filed with Secretary of State May 23, 2002.

[No. 348]
(HB 5708)

AN ACT to amend 1889 PA 226, entitled “An act to provide for the collection of specific taxes from corporations, copartnerships, parties or persons, subject under any laws of this state to the payment of such taxes; to fix the time when such taxes become a lien upon the property of such corporations, copartnerships, parties or persons, and to define the property to which the lien shall attach; and to repeal Act No. 57 of the session laws of 1872, approved March twenty-ninth, 1872, and Acts No. 10 and 11 of the session laws of 1873, approved February fourteenth, 1873, being sections numbered 1249 to 1256, both inclusive, of Howell’s annotated statutes of 1882,” by amending sections 1, 2, 3, 4, and 5 (MCL 207.441, 207.442, 207.443, 207.444, and 207.445).

The People of the State of Michigan enact:

207.441 Unpaid specific tax; interest; penalty after demand; collection suit; proceedings; decree; sale; payment.

Sec. 1. Specific taxes imposed by any law of this state upon any corporation, copartnership, party, or person, that remain unpaid after the last day of the month in which by law the specific taxes are payable, are subject to interest computed at the rate of 7 per cent per annum from the day the specific taxes became due to the day of payment. Furthermore, if a specific tax, with the accrued interest is not paid within 10 days after demand for payment is made by the state treasurer, then any corporation, copartnership, party, or person so failing to pay as demanded is subject to a penalty of 2 per cent for each month or fraction of a month, to be computed upon the amount due from the corporation, copartnership, party, or person at the date of the demand for payment. And for the amount so due, including the penalty, the state treasurer shall bring an action in the name of the people of the state of Michigan, before the judge of the circuit court of any county in this state having jurisdiction, in open court, if it shall be in session, otherwise at his or her chambers, for the recovery of the amount due, including the penalty, after not less than 30 days’ notice to every such corporation, copartnership, party, or person of the commencement of the action, either by actual service of a copy of the petition of the state treasurer, or by publication, as the court may order, and after proper hearing of all and singular the premises in the petition by the state treasurer set forth, may enter a decree for the amount of the specific taxes, interest, and penalty as provided in this act. Execution shall immediately issue to the sheriff of any county in which the principal office of the

corporation or copartnership is located, or the party or person may reside, commanding him or her to immediately levy the same, together with 10 per cent as his or her fees, by distress and sale, as provided by section 6038 of the revised judicature act of 1961, 1961 PA 236, MCL 600.6038, of any of the property, real or personal, belonging to the corporation, copartnership, party, or person, wherever the property may be found in this state, and to pay over the revenue, reserving his or her fees, to the state treasurer, within 10 days after the same is collected.

207.442 Sale proceeds insufficient; payment refusal; charter rights forfeited.

Sec. 2. If the property so distrained cannot be sold for want of bidders, or if the property of the corporation is insufficient to pay the tax, the sheriff shall immediately return a statement of the same to the state treasurer, and if such corporation neglects or refuses to pay the tax within 30 days after such return by the sheriff, it shall be deemed a forfeiture of all its corporate or chartered rights and privileges.

207.443 Failure to report; tax estimate by state treasurer; notice.

Sec. 3. If a corporation, copartnership, party, or person, doing business in this state, neglects or refuses to make a report as required by law, upon which the amount of specific tax imposed by any law of this state, and due and payable by any corporation, copartnership, party, or person, is computed, the state treasurer shall estimate the amount of specific tax due from and payable by the corporation, copartnership, party, or person, from the best information he or she may be able to obtain, and charge that amount upon the books of his or her office. After making the estimate, the state treasurer shall immediately send by mail or otherwise a written notice signed by him or her to any of the officers or directors of the corporation, or to any member of a copartnership, or to the party or person, of the amount of the specific tax estimated by him or her as due and payable by the corporation, copartnership, party, or person.

207.444 Failure to report after notice; tax collection by state treasurer; failure to pay; forfeitures.

Sec. 4. If, in not less than 40 days after mailing or sending the notice, as provided in section 3, the corporation, copartnership, party, or person refuses or neglects to pay the specific tax so estimated, and no appeal is taken as provided in this act, the state treasurer shall collect the specific taxes in the same manner as is provided in case of failure to pay the taxes after the report required by law has been made, as provided by section 1, and with a like forfeiture of all corporate or chartered rights and privileges in case the property distrained cannot be sold for want of bidders, or is insufficient to pay the tax, and the corporation does not within 30 days of the sheriff's return of the facts, pay the specific tax.

207.445 Appeal; contents; bond; trial proceedings; collection of execution.

Sec. 5. If a corporation is dissatisfied with the estimate so made by the state treasurer, as provided, it may appeal therefrom to the circuit court for the county of Ingham. The appeal shall be transmitted to the county clerk of the county of Ingham, and a copy to the state treasurer within 30 days after the receiving of the estimate, accompanied with a statement in detail, signed and sworn to by an officer of the corporation in its behalf, or by a member of the copartnership, or by the party or person making the appeal, of the objections to the estimate and the reason why the same should not stand as a charge

against the corporation, copartnership, party, or person. The appeal shall also be accompanied by a bond in double the amount of the estimate, with sufficient surety or sureties to be justified before a circuit judge, as to their pecuniary responsibility, and to be approved by him or her, conditioned that such corporation, copartnership, party, or person will prosecute its appeal to effect, and to pay all costs and charges which the court shall award, and also to pay any sum of money which shall appear by the judgment of the court to be due from the corporation, copartnership, party, or person as a specific tax. Upon filing with the clerk of the circuit court of the county of Ingham said appeal, statement and bond, with the approval of the circuit judge evidenced thereon, the court shall proceed to the trial and determination of the appeal, according to the rules of law, allowing a trial by jury of all questions of fact, in cases where a trial may be proper, and questions of law may be carried to the supreme court. Upon the trial of the appeal, the statement and estimate of the state treasurer are prima facie evidence of the amount of the specific tax due and payable by the corporation, copartnership, party, or person. Notice of trial of the appeal shall be served by the corporation upon the attorney general. If 2 regular terms of the court expire after filing the appeal, bond, and statement, and the corporation, copartnership, party, or person has not noticed the same for trial, the appeal, upon motion of the attorney general, shall be dismissed. If the appeal is tried and judgment rendered against the corporation, copartnership, party, or person, execution shall be issued as directed to the sheriff of the county in which the principal office of the corporation or copartnership is located, or in which the party or person may reside, and the sheriff shall proceed to collect the amount of the execution, adding 10 per cent for his or her own fees therein, in a manner like that provided by section 6038 of the revised judicature act of 1961, 1961 PA 236, MCL 600.6038, and pay the revenue over to the state treasurer, within 10 days after the specific taxes are collected.

This act is ordered to take immediate effect.

Approved May 23, 2002.

Filed with Secretary of State May 23, 2002.

[No. 349]

(HB 5709)

AN ACT to amend 1931 PA 292, entitled "An act to authorize counties to extend the time of payment of certain drain taxes and highway assessments," by amending section 3 (MCL 211.393).

The People of the State of Michigan enact:

211.393 Delinquent drain taxes or highway assessments; installments; remittance of accrued interest and penalties; interest.

Sec. 3. If any part or parts of the drain taxes or highway assessments have become delinquent, and if the county has advanced money for the payment of the bonds by reason of the delinquency, or if refunding bonds have been issued to extend the time of payment of the bonds, the board of commissioners may, by resolution, at any time before the sale of land for the drain taxes or highway assessments only, or, if the lands shall have been bid off to the state at a tax sale for the drain taxes or highway assessments only, at any time before the lands shall have been deeded by the state treasurer, extend the time of

payment of the delinquent taxes or assessments and divide the same into any number of installments not exceeding the number of the original installments, and may remit all or any part of the accrued interest and penalties. One of the installments shall be levied and collected on the general tax roll for each year following the last installment of the original drain tax or highway assessment of the same district, and interest thereon at 6 per cent from the date of the extension shall be included each year in the amount of the original or extended installment of the tax or assessment to be collected.

This act is ordered to take immediate effect.

Approved May 23, 2002.

Filed with Secretary of State May 23, 2002.

[No. 350]

(HB 5710)

AN ACT to amend 1933 PA 133, entitled “An act to authorize the acceptance of bonds and coupons and other obligations of municipalities and special assessment districts and bonds and coupons of the Home Owners Loan Corporation in payment of certain taxes and special assessments under certain conditions, and to prescribe the effect thereof; and to prescribe the powers and duties of certain officials and bodies with respect thereto,” by amending sections 3a, 4, and 6 (MCL 211.403a, 211.404, and 211.406).

The People of the State of Michigan enact:

211.403a Resolution authorizing receipt terms; restrictions; conditions.

Sec. 3a. The resolution authorizing the receipt of the bonds and coupons and other obligations in payment of taxes or special assessments may provide the terms, restrictions, and conditions upon which the same shall be so receivable and may provide that the same shall be receivable in payment of taxes or special assessments payable to the local tax-collecting official, the county treasurer, or the state treasurer.

211.404 Resolution; filing of certified copy.

Sec. 4. The governing body of any municipality or special assessment district passing any such resolution shall file a certified copy of the resolution with the state treasurer, with the county treasurer of the county in which the municipality or special assessment district is located, and with the tax collector of the respective municipalities and special assessment districts.

211.406 Tax collecting officers; duties; cancellation of bonds and obligations.

Sec. 6. It shall be the duty of the state treasurer, county treasurer, or other tax collecting officer to accept the bonds and coupons and other obligations of any municipality or special assessment district in full or partial payment of taxes and special assessments, as the case may be, including penalties, interest, and other charges, when the governing body of any municipality or special assessment district has authorized the acceptance, in accordance with the provisions of this act. The turning over to the municipality or special

assessment district of any such bonds and coupons and other obligations shall be considered a full accounting for the collection of the tax or special assessment so paid. The municipality or special assessment district shall cancel the bonds and coupons and other obligations and mark them “paid in full”.

This act is ordered to take immediate effect.

Approved May 23, 2002.

Filed with Secretary of State May 23, 2002.

[No. 351]

(HB 5711)

AN ACT to amend 1915 PA 59, entitled “An act to provide for the construction, improvement and maintenance of highways; for the levying, spreading and collecting of taxes and of special assessments therefor; to authorize the borrowing of money and the issuance of bonds under certain restrictions, regulations and limitations; to prescribe the powers and duties of certain officers with reference thereto; and to validate certain proceedings heretofore taken,” by amending sections 34, 35, and 67 (MCL 247.434, 247.435, and 247.467).

The People of the State of Michigan enact:

247.434 Taxes; rejection; reassessment.

Sec. 34. If any tax assessed under this act is rejected because of an error in the description of the premises sought to be charged, the tax shall be ordered charged back by the board of supervisors, and reassessed upon the lands in the same manner that unpaid or rejected taxes may be charged back by the state treasurer and reassessed under the general provisions of law applicable to state, county, and township taxes.

247.435 Taxes; apportionment on parcels; notice of hearing; correction of roll.

Sec. 35. If 2 or more parcels of land owned by different persons are assessed as 1 parcel and the frontage of the different parcels upon the improvement are not relatively the same, then upon discovery of the error the county road commissioners or the department of transportation, or any 1 of the several owners, may require the county road commissioners or the state highway commissioner to apportion this tax between the several parcels, upon the principle of benefits derived. The county road commissioners or the department of transportation shall give the parties in interest 5 days’ notice of their hearing, by posting a notice of the hearing in a conspicuous place on each of such premises. On apportioning the tax as provided in this section, the county road commissioners or the department of transportation shall change their roll accordingly, and if any rolls have been delivered to the county or township clerks, or to collecting officers, shall certify the change to them. The county or township clerk or other collecting officer shall correct the roll in their hands, and collection shall be made accordingly. This change may be made at any time before final decree is taken by the state treasurer for the sale of the lands for delinquent taxes.

247.467 Tax assessment; irregularities not prejudicial; presumptions; prima facie evidence; absent or omitted records; signing of papers; deeds.

Sec. 67. A tax assessed under this act upon any property or sale of the property shall not be held invalid by any court of this state on account of any irregularity in any assessment, or on account of any tax roll not having been made, or proceeding had within the time required by law, or on account of the property having been assessed without the name of the owner, or in the name of any person other than the owner, or on account of any other irregularity, informality, omission, or want of any matter or form or substance in any proceeding that does not prejudice the property rights of the person whose property is taxed. All proceedings in assessing and levying taxes, and in the sale and conveyance therefor, shall be presumed by all the courts of this state to be legal until the contrary is affirmatively shown. All records, statements and certificates provided for under this act shall be prima facie evidence of the facts therein set forth. The absence of any record of any proceeding or proceedings, or the omission of any mention in any record of any vote or proceeding, or mention of any matter in any statement or certificate that should appear therein under this act, does not affect the validity of any proceeding, tax, or title thereon, if the fact that the vote or proceeding was had or tax authorized is shown by any other record, statement or certificate made evidence by the terms of this act or any other law of this state. A tax or sale of property for any tax shall not be rendered or held invalid by showing that any record, statement, affidavit, certificate, paper, or return cannot be found in the proper office. Unless the contrary is affirmatively shown, the presumption shall be that the record was made, and that the certificate, statement, affidavit, paper, or return was duly made and filed. If any statement, certificate, or record is required to be made or signed by the county road commissioners, that statement, certificate, or record may be made and signed by the members of the commission, or a majority of them, and it is not necessary that other members be present when each signs the statement, certificate, or record. The provisions of this section shall not be construed to authorize any showing impeaching the validity of any deed executed by the state treasurer under this act, but the deed shall be held absolute and conclusive as provided in general tax laws of this state.

This act is ordered to take immediate effect.

Approved May 23, 2002.

Filed with Secretary of State May 23, 2002.

[No. 352]

(HB 5712)

AN ACT to amend 1945 PA 327, entitled “An act relating to aeronautics in this state; providing for the development and regulation thereof; creating a state aeronautics commission; prescribing powers and duties; providing for the licensing, or registration, or supervision and control of all aircraft, airports and landing fields, schools of aviation, flying clubs, airmen, aviation instructors, airport managers, manufacturers, dealers, and commercial operation in intrastate commerce; providing for rules pertaining thereto; prescribing a privilege tax for the use of the aeronautical facilities on the lands and waters of this state; providing for the acquisition, development, and operation of airports, landing fields, and

other aeronautical facilities by the state, by political subdivisions, or by public airport authorities; providing for the incorporation of public airport authorities and providing for the powers, duties, and obligations of public airport authorities; providing for the transfer of airport management to public airport authorities, including the transfer of airport liabilities, employees, and operational jurisdiction; providing jurisdiction of crimes, torts, and contracts; providing police powers for those entrusted to enforce this act; providing for civil liability of owners, operators, and others; making hunting from aircraft unlawful; providing for repair station operators lien; providing for appeals from rules or orders issued by the commission; providing for the transfer from the Michigan board of aeronautics to the aeronautics commission all properties and funds held by the board of aeronautics; providing for a state aeronautics fund and making an appropriation therefor; prescribing penalties; and making uniform the law with reference to state development and regulation of aeronautics,” by amending section 35 (MCL 259.35).

The People of the State of Michigan enact:

259.35 Aeronautics fund; appropriation.

Sec. 35. There is appropriated all money in and currently credited to the state aeronautics fund created under section 34, for carrying out the purposes and provisions of this act, and to meet the expenses of the department. Upon appropriation, the state treasurer may draw a warrant upon the state treasury to make payments in the amounts and to the persons as directed by the department subject to approval and release by the state administrative board of the authorized amounts. However, funds appropriated under this section or subsequently made available shall not be expended upon any aviation project that is not carried out under the supervision and direction of the department.

This act is ordered to take immediate effect.

Approved May 23, 2002.

Filed with Secretary of State May 23, 2002.

[No. 353]

(HB 5713)

AN ACT to amend 1956 PA 40, entitled “An act to codify the laws relating to the laying out of drainage districts, the consolidation of drainage districts, the construction and maintenance of drains, sewers, pumping equipment, bridges, culverts, fords, and the structures and mechanical devices to properly purify the flow of drains; to provide for flood control projects; to provide for water management, water management districts, and subdistricts, and for flood control and drainage projects within drainage districts; to provide for the assessment and collection of taxes; to provide for the investment of funds; to provide for the deposit of funds for future maintenance of drains; to authorize public corporations to impose taxes for the payment of assessments in anticipation of which bonds are issued; to provide for the issuance of bonds by drainage districts and for the pledge of the full faith and credit of counties for payment of the bonds; to authorize counties to impose taxes when necessary to pay principal and interest on bonds for which full faith and credit is pledged; to validate certain acts and bonds; and to prescribe penalties,” by amending sections 271 and 323 (MCL 280.271 and 280.323).

The People of the State of Michigan enact:

280.271 Tax collection suits; tax reassessment.

Sec. 271. Any drain taxes that may have been assessed and returned upon any lands under any drain law enacted before this act and remaining unpaid, may be sued for by the commissioner of the county in which the delinquent lands are situated in any court of competent jurisdiction and collected from the owner of the lands or the taxes, if properly returned to the county treasurer, may be ordered charged back by the county board of commissioners and reassessed upon the lands in the same manner that unpaid or rejected taxes may be charged back by the state treasurer and reassessed under the general provisions of law.

280.323 Drains along public highways; consent; disposition of materials; apportionment against state trunk line highway; payment of assessment; certificate of amount due; drains constructed prior to 1923.

Sec. 323. Before a drain is constructed along a public highway, the drain commissioner or drainage board shall consult with and obtain the written consent of the highway authorities having jurisdiction over the highway, as to the proposed location of the drain and the disposition of all material excavated. Whenever an apportionment is made against a state trunk line highway, the amount of the assessment based on the apportionment shall be paid out of any state transportation funds on hand. On or before December 1 of the year when the assessment is made, the drain commissioner or drainage board shall certify to the state treasurer the amount due from the state to the drainage district by reason of the assessment of benefits, and the state treasurer shall, if satisfied of the correctness of such certificate, cause the certificate to be paid within 30 days thereafter.

If a ditch or drain was constructed prior to 1923 primarily for drainage of private lands, and was constructed along a public highway, and if the records including the original survey of the drain are not of public record nor turned over to the county drain commissioner, or have not been entered in the records of the county drain commissioner as a county drain, then the actual location of the drain shall be sufficient to make the drain comply with the provisions of this act with respect to the location thereof, and the drain shall be a county drain upon compliance with the other provisions of this act with respect to county drains. No proceedings shall be instituted for the widening of the drain or the deepening thereof below its original bottom.

This act is ordered to take immediate effect.

Approved May 23, 2002.

Filed with Secretary of State May 23, 2002.

[No. 354]

(HB 5714)

AN ACT to repeal 1915 PA 294, entitled “An act to promote the public welfare; to create a commission to be known as the agricultural fair commission; to provide for the appointment of such a commission and to fix their terms of office; to prescribe their

powers and duties; and to make an appropriation to carry out the provisions of this act,” (MCL 285.122 to 285.128).

The People of the State of Michigan enact:

Repeal of §§ 285.122 to 285.128.

Enacting section 1. 1915 PA 294, MCL 285.122 to 285.128, is repealed.

This act is ordered to take immediate effect.

Approved May 23, 2002.

Filed with Secretary of State May 23, 2002.

[No. 355]

(HB 5717)

AN ACT to amend 1883 PA 197, entitled “An act to provide for the disposition of certain lands granted to the state of Michigan for railroad purposes by acts of congress of June 3, 1856, and March 4, 1879, upon the route from Grand Haven to Flint and thence to Port Huron, in the state of Michigan; to secure the title thereto to bona fide settlers and purchasers; to provide for the further sale thereof, and to provide for the adjustment of certain taxes heretofore assessed thereon,” by amending section 10 (MCL 322.460).

The People of the State of Michigan enact:

322.460 Adjustment of amounts due claimants.

Sec. 10. The state treasurer shall adjust the amounts due claimants under this act, and shall draw a warrant upon the state treasury for the amount due in favor of the person entitled to the amount within 3 months after application is made by that person. The balance of the taxes previously assessed upon the lands granted to this state and lying within the counties of Ottawa and Muskegon, upon the route extending from Grand Haven to Owosso and then to Flint, as described in this act and returned by the county treasurers of the counties of Muskegon and Ottawa to the state treasurer as delinquent and unpaid, and all interest and charges since accrued, are hereby canceled, and the state treasurer is hereby directed to credit the counties of Muskegon and Ottawa respectively with the amount of those taxes in all cases in which the tax has been previously charged back to those counties, with all interest and charges accrued upon the amounts charged back. However, the total amount of the credit shall not exceed the total amount the county may now be indebted to the state, and the counties of Muskegon and Ottawa shall credit up to the several townships in their respective counties all of the tax which has been charged back to the townships, or the proportion of the tax the county is credited with by the state.

This act is ordered to take immediate effect.

Approved May 23, 2002.

Filed with Secretary of State May 23, 2002.

[No. 356]**(HB 5718)**

AN ACT to amend 1994 PA 451, entitled “An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts,” by amending sections 33934, 42506, 47104, and 52706 (MCL 324.33934, 324.42506, 324.47104, and 324.52706), section 33934 as added by 1995 PA 59 and sections 42506, 47104, and 52706 as added by 1995 PA 57.

The People of the State of Michigan enact:

324.33934 State leased lands; tax default; procedure for payment; forfeiture of lease; co-owners; partial payment of taxes; certificate of cancellation.

Sec. 33934. (1) If default is made in the payment of taxes to the treasurer of the township, city, or village in which the lands leased are located, the same shall be returned to the county treasurer according to and subject to the provisions of law for the return and collection of unpaid taxes assessed upon real estate. The treasurer of the township, city, or village, at the same time that he or she makes returns to the county treasurer, shall make and transmit to the department a list of the lands so delinquent for taxes and the amount of taxes delinquent upon each description in the list. The county treasurer shall, at the same time he or she makes his or her return of delinquent lands to the department of treasury, make a similar return to the department of all such leasehold interests, the taxes upon which have not been collected, with a statement of the amount thereof. The county treasurer shall not receive payment of the amount of any taxes assessed upon such leasehold interests; but such taxes when returned delinquent by the township treasurer shall be payable only to the department. The department shall provide suitable books and enter in those books the description of every leasehold interest so returned and the taxes thereon. The person holding such interest in any parcel of this land may pay to the department at any time within 1 year after the same becomes a lien on the premises, the taxes assessed thereon, with interest at the rate of 1/2 of 1% per month or fraction thereof, with 4% as a collection fee, from the first day of March last preceding. However, if the taxes are not paid within this time period, the leasehold interest is forfeited because of the nonpayment of the taxes, and within its discretion the department may release the premises to any person for any term of years not exceeding 99 years, upon that person paying to the department all unpaid taxes on the land, together with such rental as may be determined upon under this part by the department.

(2) If the leasehold interest is owned by 2 or more persons, and any 1 or more of the persons neglect or refuse to pay his or her or their proportionate share of the taxes assessed against the leasehold at the date when the taxes become due and payable, then any 1 or more of the owners may pay his or her or their proportionate share of the taxes, and the county treasurer, in his or her return of delinquent lands to the department, shall indicate partial payments of taxes credited to the owner or owners making them. Any owner not having made payment of his or her proportionate share of the taxes may, at any

time within 1 year after the taxes have become a lien on the premises, pay to the department his or her proportionate share of the taxes with interest at the rate of 1% per month or fraction thereof, from the first day of March last preceding. If the proportionate share of taxes of any such owner is not paid within this time period, the interest of the owner in the leasehold is forfeited because of the nonpayment of the taxes, and thereafter within 30 days, such of the owners as have paid their proportionate share of the taxes, upon payment to the department of the amount of the taxes remaining due with interest accrued to the date of forfeiture, shall be entitled to conveyances by the department of the interests in the leasehold that have been forfeited. The interest thus conveyed shall be allotted equally among those owners who shall pay the delinquent taxes with interest as provided in this section.

(3) If default is made by any lessee in the payment of taxes, he or she shall be notified in writing by the department at least 3 months before the date of final forfeiture of the amount due and the penalty for nonpayment and the date upon which forfeiture is to occur.

(4) Upon payment to the department of taxes and interest as provided in this section, the payment amount shall be credited to the county in which such leasehold interests were assessed, in the same manner as taxes and interest are now credited to counties on part-paid state lands.

(5) Immediately upon formal determination by the department that a lease has been forfeited under this part, a certificate of cancellation of the lease shall be executed under the seal of the department and shall be forwarded to the register of deeds of the county where the land is situated. Upon receipt of this certificate, the register of deeds shall at once cause it to be recorded in a suitable book to be provided by the register of deeds. If the lease is of record in the register of deeds, the register of deeds shall note on the lease the fact that a certificate of cancellation has been issued and shall also note the citation to the record of such certificate.

324.42506 Receipts; disposition.

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 fund created in part 435, and shall be used for the purpose necessary to the protection, propagation, and distribution of game and fur-bearing animals as provided by law.

324.47104 Appropriation; carrying forward unexpended balance.

Sec. 47104. The unexpended balance of any appropriation to implement this part at the end of the year for which the appropriation is made shall be carried forward to the credit of the department, if the department certifies to the state treasurer that the money is needed for the purchase of additional grounds, for making permanent improvements upon any of its property, or for equipment or labor.

324.52706 Department, department of treasury, or other state officer; authority to sell state lands to municipalities for forestry; reversion.

Sec. 52706. The department, the department of treasury, or other state officer having charge of state land, may sell homestead, tax, swamp, or primary school land to municipalities for forestry purposes, at a price fixed by the department, department of treasury, or other state officer. However, land shall not be sold in excess of the amount that may be necessary for the municipality, and any land that is sold shall be suitable for and used

solely for a forestry purpose. When the land described in this section is no longer used for a forestry purpose, the land shall revert to the state.

This act is ordered to take immediate effect.

Approved May 23, 2002.

Filed with Secretary of State May 23, 2002.

[No. 357]

(SB 1077)

AN ACT to amend 1974 PA 338, entitled “An act to provide for the creation of public economic development corporations; to prescribe their powers and duties; to provide for their dissolution; to provide for the issuance of notes and other evidence of indebtedness; to provide for the issuance of bonds; to validate bonds, notes, and other evidence of indebtedness; to provide for condemnation of property; to provide for the undertaking of projects relative to the economic development of municipalities; to provide for loans, grants, transfers, and conveyances of funds and property by municipalities, and disbursement of certain funds to public economic development corporations; to provide for the creation of subsidiary neighborhood development corporations by certain economic development corporations; to provide for the receipt by public economic development corporations of funds and property; to provide for industrial and commercial enterprises and for enterprises involved in housing or neighborhood improvement, and furnishings, equipment, and machinery for the industrial and commercial enterprises and housing; to validate the incorporation of de facto economic development corporations and all actions of the de facto corporations; and to provide savings provisions,” by amending sections 6a, 7, 8, and 23 (MCL 125.1606a, 125.1607, 125.1608, and 125.1623), section 6a as added and sections 7, 8, and 23 as amended by 1980 PA 501.

The People of the State of Michigan enact:

125.1606a Subsidiary neighborhood development corporation; creation; powers; exemption from prevailing wage and fringe benefit rate requirements; disposition of surplus from sale of property; repayment of bonds or notes.

Sec. 6a. (1) In order to implement section 3(f)(ii), a corporation incorporated by a city with a population of greater than 750,000 persons may create subsidiary neighborhood development corporations within the city in which the parent corporation may operate. A subsidiary neighborhood development corporation created pursuant to this subsection shall have power to conduct business solely for the purpose of a project under section 3(f)(ii), but in respect to those projects the subsidiary shall have the same powers of a corporation formed under this act, except as may be limited by the parent corporation in the articles of incorporation or bylaws of the subsidiary.

(2) To the extent the project involves training for disadvantaged youths, a subsidiary created pursuant to this section shall be exempt from the requirement of the payment of prevailing wage and fringe benefit rates described in section 8(4)(h).

(3) Any surplus from the sale of property in the involved project area under section 3(f)(ii), after payment of principal and interest or other evidences of indebtedness, shall be deposited in a revolving fund of the corporation creating the subsidiary corporation,

which fund shall be restricted to provide revenue for other projects authorized by section 3(f)(ii), within the city.

(4) When bonds or notes are sold to implement projects under section 3(f)(ii), provision shall be made for the immediate repayment of the bonds or notes at the time all property in the involved project area is sold.

125.1607 Powers of corporation generally.

Sec. 7. (1) In order to accomplish the public purposes set forth in section 2 the corporation may:

(a) Construct, acquire by gift or purchase, reconstruct, improve, maintain, or repair projects and acquire the necessary land, or an interest in land or portions of the land, for the site of a project.

(b) Acquire by gift or purchase the necessary machinery, furnishings, and equipment for a project.

(c) Make secured or unsecured loans, participate in the making of secured or unsecured loans, undertake commitments to make secured or unsecured loans and mortgages, sell loans and mortgages at public or private sale, rewrite loans and mortgages, discharge loans and mortgages, foreclose on a mortgage, or commence an action to protect or enforce a right conferred upon it by a law, mortgage, loan, contract, or other agreement.

(d) Borrow money and issue its revenue bonds or revenue notes to finance or refinance part or all of the project costs and the costs necessary or incidental to the borrowing of money and issuing of bonds or notes for that purpose, and may secure those bonds and notes by mortgage, assignment, or pledge of any of its money, revenues, income, and properties. Bonds and notes may be issued under this act to acquire and install projects, necessary lands, or an interest in the land or a portion of the land, for the site of the project, and the necessary machinery, furnishings, and equipment for a project notwithstanding that the corporation does not own or propose to own the projects, lands, or machinery, furnishings, and equipment. The corporation for a municipality that has a population of more than 1,000,000 persons may combine part or all of the project costs of more than 1 project for pollution control facilities in a single financing arrangement. However, the bonds and notes for each project for pollution control facilities shall be secured by a separate agreement and collateral for each project.

(e) Enter into leases, lease purchase agreements, installment sales contracts or loan agreements with any person, firm, or corporation for the use or sale of the project.

(f) Mortgage or create security interests in the project, a part of the project, a lease or loan, or the rents, revenues, or sums to be paid during the term of a lease or loan, in favor of holders of bonds or notes issued by the corporation.

(g) Sell and convey the project or any part of the project for a price and at a time as the corporation determines.

(h) Lend, grant, transfer, or convey funds, described in section 27, as permitted by law, but subject to applicable restrictions affecting the use of those funds.

(2) Bonds and notes issued under this act are not subject to the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140.

(3) Bonds and notes issued under this act are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(4) The issuance of bonds and notes under this act is subject to the agency financing reporting act.

125.1608 Designation of project area; certification of approval; preparation and approval of project plan; transfer of employment; contents of project plan; corporation as instrumentality of political subdivision; notice to vacate; corporation to operate project as lessor; issuance of obligations; project plans for agricultural and forestry enterprises.

Sec. 8. (1) The corporation shall designate the project area to the governing body of the municipality for which the corporation is incorporated. The governing body of the municipality for which the corporation is incorporated shall certify its approval of the designation of a project area by resolution.

(2) Before acquiring property, or an interest in land, or incurring obligations for a specific project, other than the acquisition of an option, the corporation shall prepare a project plan and secure the recommendation of the local public agency of the municipality for which the corporation is incorporated, except as provided in section 9(3), the approval of the governing body of each city, village, or township in which all or a part of the project is located, and the approval of the county, if the corporation is an economic development corporation for the county.

(3) The corporation shall certify to the governing body of the municipality for which the corporation is incorporated that at the time the project plan is approved by the corporation, the project shall not have the effect of transferring employment of more than 20 full-time persons from a municipality of this state to the municipality in which the project is to be located. This restriction shall not prevent the approval of a project if the governing body of each municipality from which employment is to be transferred consents by resolution to the transfer.

(4) The project plan shall contain the following, except that agricultural and forestry enterprise projects need only comply with subsection (9) with respect to project plans:

(a) The location and extent of existing streets and other public facilities within the project district area, and shall designate the location, character, and extent of the categories of public and private land uses then existing and proposed for the project area, including residential, recreational, commercial, industrial, educational, and other uses and shall include a legal description of the project area.

(b) A description of existing improvements in the project area to be demolished, repaired, or altered, a description of repairs and alterations, and an estimate of the time required for completion.

(c) The location, extent, character, and estimated cost of the improvements including rehabilitation contemplated for the project area and an estimate of the time required for completion.

(d) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

(e) A description of the parts of the project area to be left as open space and the use contemplated for the space.

(f) A description of portions of the project area that the corporation desires to sell, donate, exchange, or lease to or from the municipality, and the proposed terms.

(g) A description of desired zoning changes and changes in streets, street levels, intersections, and utilities.

(h) A statement of the proposed method of financing the project, including, except as provided in section 6a, a statement by a person described in subparagraph (j) indicating the payment to all persons performing work on the construction project of the prevailing

wage and fringe benefit rates for the same or similar work in the locality in which the work is to be performed, and a statement of the ability of the corporation to arrange the financing. The prevailing wage and fringe benefit rates shall be determined under 1965 PA 166, MCL 408.551 to 408.558. A corporation may conclusively rely upon the statement required under this subsection as to compliance with the payment of prevailing wage and fringe benefit rates and any contracts, bonds or notes of any corporation entered into or issued upon reliance on any statement shall not be subsequently voided by reason of the failure to comply with the requirements of this subsection.

(i) A list of persons who will manage or be associated with the management of the project for a period of not less than 1 year from the date of approval of the project plan.

(j) Designation of the person or persons, natural or corporate, to whom the project is to be leased, sold, or conveyed and for whose benefit the project is being undertaken if that information is available to the corporation.

(k) If there is not an express or implied agreement between the corporation and persons, natural or corporate, that the project will be leased, sold, or conveyed to those persons, the procedures for bidding for the leasing, purchasing, or conveying of the project upon its completion.

(l) Estimates of the number of persons residing in the project area, and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the corporation, a project plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

(m) A plan for establishing priority for the relocation of persons displaced by the project in new housing in the project area.

(n) Provision for the costs of relocating persons displaced by the project and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the uniform relocation assistance and real property acquisition policies act of 1970, Public Law 91-646, 84 Stat. 1894.

(o) A plan for compliance with 1972 PA 227, MCL 213.321 to 213.332.

(p) Other material as the corporation, local public agency, or governing body considers pertinent.

(5) The corporation shall be considered an instrumentality of a political subdivision for purposes of 1972 PA 227, MCL 213.321 to 213.332.

(6) A person shall be given not less than 90 days' written notice to vacate unless modified by court order for good cause.

(7) The corporation shall not operate a project or an enterprise in a project, other than as lessor.

(8) The governing body may utilize the corporation to issue obligations pursuant to section 7 to accomplish the public purposes of the municipality set forth in section 2, and for that purpose may by resolution direct the corporation to take appropriate action as set forth in subsections (1) and (2) with respect to a proposed project.

(9) In the case of project plans for agricultural and forestry enterprises, the following information shall be provided in lieu of the requirements of subsections (2) and (4):

(a) A statement of intention regarding the objectives of the project.

(b) A general description of the kinds of buildings, improvements, storage facilities, restorations, acquisition of machinery, equipment furnishings, leasehold improvements and incidental related costs to be financed.

(c) A statement regarding the length of the project and the maximum amount to be financed over the life of the project.

(d) A statement by the corporation that no zoning change or eminent domain proceedings will be necessary to implement the project.

(e) A description of the process to be followed in implementing the individual transactions that may comprise the project.

125.1623 Borrowing money and issuing revenue bonds or revenue notes; issuing refunding bonds; bonds or notes and interest exempt from taxation; exceptions; liability of municipality on notes or bonds; statement; investment in bonds and notes; deposit of bonds and notes; report; inspection of records and reports; publication and distribution of statement of revenues and expenditures.

Sec. 23. (1) For the purpose of defraying all or part of its project costs, refunding or refunding in advance obligations authorized under this act or obligations authorized under the industrial development revenue bond act of 1963, 1963 PA 62, MCL 125.1251 to 125.1267, by a municipality incorporating a corporation under this act, a corporation may borrow money and issue its revenue bonds or revenue notes. Refunding bonds may be issued by the corporation whether the bonds to be refunded have or have not matured, are or are not redeemable on the date of issuance of the refunding bonds, or are or are not subject to redemption before maturity, and may be issued to pay principal, interest, redemption premiums, or any combination thereof of the obligations to be refunded. The bonds may be issued partly to refund bonds and partly for any other purpose authorized by this act. The refunding bonds may be issued in a principal amount greater than the principal amount of the bonds to be refunded as may be necessary to effect the refunding pursuant to the plan of refunding. The bonds or notes shall be exempt from all taxation except inheritance and transfer taxes and the interest on the bonds or notes shall be exempt from all taxation in the state of Michigan, notwithstanding that the interest may be subject to federal income tax.

(2) The municipality shall not be liable on notes or bonds of the corporation and the notes and bonds shall not be a debt of the municipality. The notes and bonds shall contain on their face a statement to that effect.

(3) The bonds and notes of the corporation may be invested in by all public officers, state agencies and political subdivisions, insurance companies, banks, savings and loan associations, investment companies, and fiduciaries and trustees, and may be deposited with and received by all public officers and the agencies and political subdivisions of this state for any purpose for which the deposit of bonds is authorized.

(4) The corporation shall report to the governing body of the municipality for which the corporation is incorporated and the Michigan economic development corporation not less than once per year, which report shall fully describe the activities of the corporation including a statement of all revenues and expenditures since the previous report.

(5) The financial records, accountings, audit reports, and other reports of public money under the control of the corporation shall be public records and open to inspection. The corporation shall publish in a newspaper of general circulation in the incorporating municipality not more than 120 days after the conclusion of the corporation's operating year a statement of all of its revenues and expenditures for the year and shall distribute copies of the report upon request.

This act is ordered to take immediate effect.

Approved May 23, 2002.

Filed with Secretary of State May 23, 2002.

[No. 358]

(SB 1084)

AN ACT to amend 1976 PA 448, entitled "An act to prescribe the powers and duties of municipalities and governmental units to acquire, finance, maintain, and operate generating, transmission, and distribution facilities of electric power and energy, fuel and energy sources and reserves and all necessary related properties, equipment and facilities; to permit the exercise of those powers in joint venture or joint agency agreements; to provide for the issuance of bonds and notes; to prescribe the powers and duties of the municipal finance commission or its successor agency and of certain other state officers and agencies with respect to municipal electric utility financing; to create certain funds and prescribe their operation; to provide for tax exemptions and other exemptions; and to prescribe penalties and provide remedies," by amending section 42 (MCL 460.842), as amended by 1983 PA 120.

The People of the State of Michigan enact:

460.842 Bonds; contractual obligations; resolution; bonds subject to revised municipal finance act; contracts or notes as to moneys advanced or property delivered; contracts pledging full faith and credit of municipality.

Sec. 42. (1) A joint agency may issue bonds to pay all or part of project costs of the joint agency. The bonds shall be payable from and may be issued in anticipation of payment of the proceeds of any of the methods of financing described in section 41 or elsewhere in this act or as may be provided by law. A member municipality of the joint agency may contract as provided in section 43 or may contract to make payments, appropriations, or contributions to the joint agency of the proceeds of taxes, special assessments, or charges imposed and collected by the member municipality or out of other funds legally available, and may pledge its full faith and credit in support of its contractual obligation to the joint agency. The contractual obligation shall not constitute an indebtedness of the municipality within a statutory or charter debt limitation. If the joint agency issues bonds in anticipation of payments, appropriations, or contributions to be made to the joint agency pursuant to contract by a political subdivision having the power to levy and collect ad valorem taxes, the political subdivision may obligate itself by the contract, and thereupon may levy a tax on all taxable property within the political subdivision, which tax as to rate or amount will not be subject to limitation, as provided in section 6 of article IX of the state constitution of 1963, for contract obligations in anticipation of which

bonds are issued to provide sufficient money to fulfill its contractual obligation to the joint agency. The contract is not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(2) The bonds may be:

(a) Issued for any period of years not exceeding 50.

(b) Issued for a consideration other than cash.

(c) For an amount that includes interest capitalized for a period of not more than 10 years after the date of the bonds.

(d) Secured by revenues, contract payments, funds or investments and securities as determined by the joint agency.

(3) The resolution authorizing bonds may provide for the appointment of 1 or more trustees for bondholders and a trustee may be an individual or corporation domiciled or located within or without this state and may be given appropriate powers whether with or without the execution of an indenture.

(4) Bonds issued by any joint agency under this act are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(5) A municipality or governmental unit may advance money or deliver property to the joint agency to enable it to carry out or finance any of its powers and duties. The joint agency may agree to repay an advance or pay for the property within a period of not more than 10 years, from the proceeds of its bonds or from other funds legally available for that purpose, with or without interest as may be agreed at the time of the advance or delivery. The obligation of the joint agency to make the repayment or payment may be evidenced by contract or note, which contract or note may pledge a source of payment determined by the joint agency.

(6) A municipality desiring to enter into a contract under this section pledging the full faith and credit of the municipality shall authorize, by resolution of its governing body, the execution of the contract. Subsequent to the adoption of the resolution a notice of the contract shall be published in a newspaper of general publication in the municipality, which notice shall state:

(a) That the governing body has adopted a resolution authorizing execution of the contract.

(b) The purpose of the contract.

(c) The source of payment of the municipality's contractual obligation.

(d) The right of referendum on the contract.

(e) Any other information that the governing body determines to be necessary to adequately inform all interested persons of the nature of the obligation.

(7) The contract may be executed and delivered by the municipality upon approval by its governing body without a vote of the electors, but the contract shall not become effective until the expiration of 45 days after the date of publication of the notice. If within the 45-day period a petition signed by at least 10% or 15,000, whichever is the lesser, of the registered electors residing within the limits of the municipality is filed with the clerk of the municipality requesting a referendum upon the contract, the contract shall not become effective until approved by the vote of a majority of the electors of the municipality qualified to vote and voting on the question at a general or special election, which election shall be held within 180 days after the filing of a petition. When a contract

described in this section is to be entered into by any township only on behalf of the unincorporated area of the township, only the registered electors residing within the unincorporated area of the township shall be qualified to sign the petition and vote at the election.

This act is ordered to take immediate effect.

Approved May 23, 2002.

Filed with Secretary of State May 23, 2002.

[No. 359]

(SB 639)

AN ACT to amend 1956 PA 218, entitled “An act to revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker’s compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to repeal acts and parts of acts; and to provide penalties for the violation of this act,” by amending section 8142 (MCL 500.8142), as amended by 1998 PA 279.

The People of the State of Michigan enact:

500.8142 Priority of distribution of claims from insurer's estate; class of claims; subclasses prohibited; order of distribution; assets in separate account; definitions.

Sec. 8142. (1) Except as provided in subsection (2), the priority of distribution of claims from the insurer's estate shall be in accordance with the order in which each class of claims is set forth in this section. Every claim in each class shall be paid in full or adequate funds retained for their payment before the members of the next class receive payment. Subclasses shall not be established within a class. The order of distribution of claims is as follows:

(a) Class 1. The costs and expenses of administration, including, but not limited to, the following:

(i) The actual and necessary costs of preserving or recovering the insurer's assets.

(ii) Compensation for all services rendered in the liquidation.

(iii) Any necessary filing fees.

(iv) The fees and mileage payable to witnesses.

(v) Reasonable attorney's fees.

(vi) The reasonable expenses of a guaranty association or foreign guaranty association in handling claims.

(vii) Debts due to employees for services performed to the extent that they do not exceed \$1,000.00 and represent payment for services performed within 1 year before the filing of the petition for liquidation, if the court determines that the payments are reasonably necessary to an orderly and effective administration for the protection of class 2 claimants. Officers and directors are not entitled to the benefit of this priority. This priority is in lieu of any other similar priority authorized by law as to wages or compensation of employees.

(viii) Beginning January 3, 1990, the actual and necessary fees of a supervisor appointed pursuant to section 8109 if the liquidation was preceded by supervision pursuant to section 8109 and the fees were not paid at the date of liquidation.

(b) Class 2. Except as otherwise provided in this section, all claims under policies for losses incurred, including third party claims, and all claims of a guaranty association or foreign guaranty association. However, obligations of an insolvent insurer arising out of reinsurance contracts shall not be included in this class. All claims under life insurance and annuity policies, whether for death proceeds, annuity proceeds, or investment values, shall be treated as loss claims. For purposes of this section, life insurance and annuity policies include, but are not limited to, individual annuities, group annuities, guaranteed investment contracts, and funding agreement contracts, issued by an insurer. That portion of any loss, indemnification for which is provided by other benefits or advantages recovered by the claimant, shall not be included in this class, other than benefits or advantages recovered or recoverable in discharge of familial obligation of support or by way of succession at death or as proceeds of life insurance, or as gratuities. A payment by an employer to his or her employee shall not be treated as a gratuity.

(c) Class 3. Claims of the federal government.

(d) Class 4. All claims against the insurer for liability for bodily injury or for injury to or destruction of tangible property that are not under policies and, to the extent not included in class 1, debts due to employees for services performed to the extent that they do not exceed \$1,000.00 and represent payment for services performed within 1 year before the filing of the petition for liquidation. Officers and directors are not entitled to the benefit of the priority for debts due to employees for services performed. The priority

for debts due to employees for services performed is in lieu of any other similar priority authorized by law as to wages or compensation of employees.

(e) Class 5. Claims under nonassessable policies for unearned premium or other premium refunds and claims of general creditors.

(f) Class 6. Claims of any state or local government. Claims, including those of any governmental body for a penalty or forfeiture, are allowed in this class only to the extent of the pecuniary loss sustained from the act, transaction, or proceeding out of which the penalty or forfeiture arose, with reasonable and actual costs incurred. The remainder of the claims shall be postponed to the class of claims under subdivision (i).

(g) Class 7. Claims filed late or any other claims other than claims under subdivisions (h) and (i).

(h) Class 8. Surplus or contribution notes, or similar obligations, and premium refunds on assessable policies. Payments to members of domestic mutual insurance companies are limited in accordance with law.

(i) Class 9. The claims of shareholders or other owners. In paying claims pursuant to this class, disinterested shareholders have priority over interested shareholders who are directors or officers who fail to exercise their duties in accordance with section 5240.

(2) If it is provided by written agreement, statute, or rule that the assets in a separate account are not chargeable with liabilities arising out of any other business of the insurer, that part of a claim that includes a separate account shall be satisfied out of the assets in the separate account equal to the reserves maintained in the separate account under the separate account agreement. The remainder of the claim shall be treated as a Class 2 claim against the insurer's estate to the extent that reserves have been established in the insurer's general account pursuant to statute, rule, or the separate account agreement.

(3) As used in this section:

(a) "Separate account" means a separate account authorized under section 925 and established in accordance with the terms of a written agreement or a contract on a variable basis.

(b) "Insurer's estate" means all of the assets of the insurer less any assets held in separate accounts. The following assets shall not be considered separate account assets:

(i) Assets that represent money provided by the insurer initially to fund the separate account.

(ii) Assets that represent policy reserves that are properly allocable to the general account.

(iii) General account investments held in the separate account.

This act is ordered to take immediate effect.

Approved May 23, 2002.

Filed with Secretary of State May 23, 2002.

[No. 360]

(HB 4655)

AN ACT to revise the priority of allocation of funds for certain programs and services administered by the department of community health; and to prescribe the powers and duties of certain state agencies and departments.

The People of the State of Michigan enact:

333.1091 Family planning or reproductive services; allocation of funds.

Sec. 1. (1) Except as otherwise provided in this section, it is the policy of this state for the department of community health to give priority under this subsection in the allocation of funds through grants or contracts for educational and other programs and services administered by the department of community health and primarily pertaining to family planning or reproductive health services, or both. This subsection applies to grants or contracts awarded to a qualified entity that does not engage in 1 or more of the following activities:

(a) Performing elective abortions or allowing the performance of elective abortions within a facility owned or operated by the qualified entity.

(b) Referring a pregnant woman to an abortion provider for an elective abortion.

(c) Adopting or maintaining a policy in writing that elective abortion is considered part of a continuum of family planning or reproductive health services, or both.

(2) If each of the entities applying for a grant or contract described in subsection (1) engages in 1 or more of the activities listed in subsection (1)(a) to (c), the department of community health shall give priority to those entities that engage in the least number of activities listed in subsection (1)(a) to (c).

(3) Subsection (1) does not apply if the only applying entity for a grant or contract described in subsection (1) engages in 1 or more of the activities listed in subsection (1)(a) to (c).

(4) Subsection (1) does not apply to grants or contracts awarded by the department of community health other than family planning and pregnancy prevention awards under subpart a of part 59 of title 42 of the Code of Federal Regulations or state appropriated family planning or pregnancy prevention funds.

(5) In applying the priority established in subsection (1), the department of community health shall not take into consideration an activity listed in subsection (1)(a) to (c) if participating in that activity is required under federal law as a qualification for receiving federal funding.

(6) If an entity applying for a contract or grant described in subsection (1) is affiliated with another entity that engages in 1 or more of the activities listed in subsection (1)(a) to (c), the applying entity shall, for purposes of awarding a grant or contract under subsection (1), be considered independent of the affiliated entity if all of the following conditions are met:

(a) The physical properties and equipment of the applying entity are separate and not shared with the affiliated entity.

(b) The financial records of the applying entity and affiliated entity demonstrate that the affiliated entity receives no funds from the applying entity.

(c) The paid personnel of the applying entity do not perform any function or duty on behalf of the affiliated entity while on the physical property of the applying entity or during the hours the personnel are being paid by the applying entity.

(7) The department of community health shall award grants and contracts to qualified entities under this act to ensure that family planning services are adequately available and distributed in a manner that is reflective of the geographic and population diversity of this state. A qualified entity that is awarded a grant or contract must also be capable

of serving the patient census reflected in the contract or grant for which the qualified entity is applying.

(8) As used in this act:

(a) “Affiliated” means the sharing between entities of 1 or more of the following:

(i) A common name or other identifier.

(ii) Members of a governing board.

(iii) A director.

(iv) Paid personnel.

(b) “Elective abortion” means the performance of a procedure involving the intentional use of an instrument, drug, or other substance or device to terminate a woman’s pregnancy for a purpose other than to increase the probability of a live birth, to preserve the life or health of the child after live birth, or to remove a dead fetus. Elective abortion does not include either of the following:

(i) The use or prescription of a drug or device intended as a contraceptive.

(ii) The intentional use of an instrument, drug, or other substance or device by a physician to terminate a woman’s pregnancy if the woman’s physical condition, in the physician’s reasonable medical judgment, necessitates the termination of the woman’s pregnancy to avert her death.

(c) “Entity” means a local agency, organization, or corporation or a subdivision, contractee, subcontractee, or grant recipient of a local agency, organization, or corporation.

(d) “Qualified entity” means an entity reviewed and determined by the department of community health to be technically and logistically capable of providing the quality and quantity of services required within a cost range considered appropriate by the department.

Approved May 23, 2002.

Filed with Secretary of State May 23, 2002.

[No. 361]

(HB 5220)

AN ACT to amend 2001 PA 142, entitled “An act to consolidate prior acts naming certain Michigan highways; to provide for the naming of certain highways; to prescribe certain duties of the state transportation department; and to repeal acts and parts of acts and certain resolutions,” (MCL 250.1001 to 250.1100) by adding section 66.

The People of the State of Michigan enact:

250.1066 “Cesar E. Chavez Way”.

Sec. 66. That portion of highway business route 196 in the city of Grand Rapids and the county of Kent beginning at the intersection of business route 196 and Franklin street and continuing south to Clyde Park avenue shall be commemorated as the “Cesar E. Chavez Way”.

This act is ordered to take immediate effect.

Approved May 23, 2002.

Filed with Secretary of State May 23, 2002.

[No. 362]**(HB 5611)**

AN ACT to amend 1895 PA 16, entitled “An act requiring the secretary of state and the deputy secretary of state and the private secretary and executive clerk of the governor to give bonds for the faithful discharge of their official duties,” by amending section 1 (MCL 15.51).

The People of the State of Michigan enact:

15.51 Official bonds of certain state officers; amount; filing.

Sec. 1. The secretary of state and deputy secretary of state of this state, and the private secretary and executive clerk of the governor of this state, shall be required within 20 days after this act takes effect, and their successors in office shall be required within 20 days after entering upon the duties of their respective offices, to give bonds to the people of the state of Michigan with 3 or more sureties to be approved by the state treasurer and attorney general, conditioned for the faithful discharge of their official duties, and for the safe and lawful custody and disposition of the money and property of this state that may be entrusted to them or come within their control.

The bond of the secretary of state shall be in the sum of \$25,000.00, that of the deputy secretary of state shall be in the sum of \$20,000.00, and the bonds of the private secretary and the executive clerk of the governor shall be each in the sum of \$5,000.00. The bonds of the secretary of state and deputy secretary of state shall be filed and kept in the office of the state treasurer, and those of the private secretary and executive clerk shall be filed and kept in the office of the secretary of state.

This act is ordered to take immediate effect.

Approved May 23, 2002.

Filed with Secretary of State May 23, 2002.

[No. 363]**(HB 5612)**

AN ACT to amend 1958 PA 204, entitled “An act to fix the compensation and mileage of constitutional convention delegates,” by amending section 3 (MCL 2.53).

The People of the State of Michigan enact:

2.53 Constitutional convention delegates; payment of compensation and mileage.

Sec. 3. The compensation for services shall be paid semi-monthly, and the mileage shall be paid monthly, by the state treasurer prepared from vouchers submitted by the secretary of the convention, out of appropriations made for the expenses of the convention, in accordance with the accounting laws of this state.

This act is ordered to take immediate effect.

Approved May 23, 2002.

Filed with Secretary of State May 23, 2002.

[No. 364]**(HB 5613)**

AN ACT to amend 1872 PA 62, entitled “An act regulating trials of impeachment and providing for the expenses thereof,” by amending section 15 (MCL 6.15).

The People of the State of Michigan enact:

6.15 Impeachment; compensation of members of court, managers, and other officers; payment.

Sec. 15. The presiding officer and members of the senate, while sitting as a court of impeachment, and the managers elected by the house, shall receive the sum of 5 dollars each per day, and mileage at the rate of 10 cents per mile in going from and returning to their places of residence by the ordinarily traveled routes; and the compensation of the secretary, sergeant-at-arms, and all subordinate officers, clerks, and reporters, shall be an amount as shall be established by the vote of the members of the court. The state treasurer shall, upon presentation of a certificate or certificates signed by the presiding officer and secretary of the senate pay all the expenses of the senate and managers elected by the house, which may be incurred under this act.

This act is ordered to take immediate effect.

Approved May 23, 2002.

Filed with Secretary of State May 23, 2002.

[No. 365]**(HB 5615)**

AN ACT to amend 1846 RS 12, entitled “Of certain state officers,” by amending section 36 (MCL 15.36).

The People of the State of Michigan enact:

15.36 Oath of office; official bond; time; filing.

Sec. 36. The state officers named in this chapter, the lieutenant governor, deputy secretary of state, and deputy treasurer, shall each, before entering on the execution of his or her office, and within 20 days after receiving official notice of his or her election or appointment, or within 20 days after the commencement of the term of service for which he or she was elected or appointed, take and subscribe the oath of office prescribed in the state constitution of 1963, and deposit the oath of office, with his or her bond, if a bond is required by law, with the secretary of state, who shall file and preserve the oath of office and bond in his or her office.

This act is ordered to take immediate effect.

Approved May 24, 2002.

Filed with Secretary of State May 24, 2002.

[No. 366]**(HB 5398)**

AN ACT to amend 1927 PA 175, entitled “An act to revise, consolidate, and codify the laws relating to criminal procedure and to define the jurisdiction, powers, and duties of courts, judges, and other officers of the court under the provisions of this act; to provide laws relative to the rights of persons accused of criminal offenses and ordinance violations; to provide for the arrest of persons charged with or suspected of criminal offenses and ordinance violations; to provide for bail of persons arrested for or accused of criminal offenses and ordinance violations; to provide for the examination of persons accused of criminal offenses; to regulate the procedure relative to grand juries, indictments, informations, and proceedings before trial; to provide for trials of persons complained of or indicted for criminal offenses and ordinance violations and to provide for the procedure in those trials; to provide for judgments and sentences of persons convicted of criminal offenses and ordinance violations; to establish a sentencing commission and to prescribe its powers and duties; to provide for procedure relating to new trials and appeals in criminal and ordinance violation cases; to provide a uniform system of probation throughout this state and the appointment of probation officers; to prescribe the powers, duties, and compensation of probation officers; to provide penalties for the violation of the duties of probation officers; to provide for procedure governing proceedings to prevent crime and proceedings for the discovery of crime; to provide for fees of officers, witnesses, and others in criminal and ordinance violation cases; to set forth miscellaneous provisions as to criminal procedure in certain cases; to provide penalties for the violation of certain provisions of this act; and to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act,” (MCL 760.1 to 777.69) by adding section 37 to chapter VIII.

The People of the State of Michigan enact:

CHAPTER VIII

768.37 Under influence of or impairment by alcoholic liquor or drug as defense prohibited; exception; definitions.

Sec. 37. (1) Except as provided in subsection (2), it is not a defense to any crime that the defendant was, at that time, under the influence of or impaired by a voluntarily and knowingly consumed alcoholic liquor, drug, including a controlled substance, other substance or compound, or combination of alcoholic liquor, drug, or other substance or compound.

(2) It is an affirmative defense to a specific intent crime, for which the defendant has the burden of proof by a preponderance of the evidence, that he or she voluntarily consumed a legally obtained and properly used medication or other substance and did not know and reasonably should not have known that he or she would become intoxicated or impaired.

(3) As used in this section:

(a) “Alcoholic liquor” means that term as defined in section 105 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1105.

(b) “Consumed” means to have eaten, drunk, ingested, inhaled, injected, or topically applied, or to have performed any combination of those actions, or otherwise introduced into the body.

(c) “Controlled substance” means that term as defined in section 7104 of the public health code, 1978 PA 368, MCL 333.7104.

Effective date.

Enacting section 1. This amendatory act takes effect September 1, 2002, and applies to crimes committed on or after that date.

This act is ordered to take immediate effect.

Approved May 24, 2002.

Filed with Secretary of State May 24, 2002.

[No. 367]

(HB 5662)

AN ACT to amend 1927 PA 375, entitled “An act to provide for the collection of past due moneys and accounts belonging to the state of Michigan; to create a department therefor; to prescribe the duties of state officers, departments, commissions and institutions in relation thereto; and to make appropriations for defraying the expenses thereof,” by amending section 3 (MCL 14.133).

The People of the State of Michigan enact:

14.133 Forwarding of accounts; records; reports.

Sec. 3. Each state officer, department, institution, or commission from time to time shall forward to the department of treasury statements of all delinquent and past due money, specific taxes, and accounts owing or belonging to this state, or any department, commission, or institution of this state, together with any information as may be necessary to enable the department of treasury to carry out the purposes of this act. The department of treasury shall keep an accurate record and account of all those statements; shall enforce payment and collection of those amounts; shall keep an accurate account of all money collected; shall report monthly all collections made to the department, commission, or institution to which that indebtedness has been incurred; and shall pay over monthly to the state treasurer all money collected unless otherwise provided by law.

This act is ordered to take immediate effect.

Approved May 24, 2002.

Filed with Secretary of State May 24, 2002.

[No. 368]

(HB 5663)

AN ACT to repeal 1879 PA 200, entitled “An act requiring certain state officers to give bonds before entering upon their official duties,” (MCL 15.41); 1948 (2nd Ex Sess) PA 1, entitled “An act to provide for the payment of compensation of the governor, secretary of state, state treasurer, auditor general and attorney general; and to repeal certain acts and parts of acts,” (MCL 15.201 to 15.202); and section 3 of 1861 PA 111, entitled “An act relating to deposit accounts, and to interest, exchange and commissions received or paid by the state treasurer,” (MCL 21.183).

The People of the State of Michigan enact:

Repeal of §§ 15.41, 15.201 to 15.202, and 21.183.

Enacting section 1. The following acts and parts of acts are repealed:

- (a) 1879 PA 200, MCL 15.41.
- (b) 1948 (2nd Ex Sess) PA 1, MCL 15.201 to 15.202.
- (c) Section 3 of 1861 PA 111, MCL 21.183.

This act is ordered to take immediate effect.

Approved May 24, 2002.

Filed with Secretary of State May 24, 2002.

[No. 369]

(HB 5664)

AN ACT to amend 1921 PA 2, entitled “An act to promote the efficiency of the government of the state, to create a state administrative board, to define the powers and duties thereof, to provide for the transfer to said board of powers and duties now vested by law in other boards, commissions, departments and officers of the state, and for the abolishing of certain of the boards, commissions, departments and offices, whose powers and duties are hereby transferred,” by amending section 1 (MCL 17.1).

The People of the State of Michigan enact:

17.1 State administrative board; membership; powers and duties.

Sec. 1. There is hereby created a board to be known and designated as the state administrative board of the state of Michigan. The state administrative board shall be composed of the governor, who shall act as chairperson, the lieutenant-governor, the secretary of state, the state treasurer, the attorney general, the director of the state transportation department, and the superintendent of public instruction, and shall possess the powers and perform the duties provided in this act.

This act is ordered to take immediate effect.

Approved May 24, 2002.

Filed with Secretary of State May 24, 2002.

[No. 370]

(HB 5665)

AN ACT to amend 1919 PA 71, entitled “An act to provide for the formulation and establishment of a uniform system of accounting and reporting in the several departments, offices, and institutions of the state government, and in all county offices; to provide for the examination of the books and accounts of each state department, office, and institution, and of each county office; to provide for financial reports from all such departments, institutions, and offices, and for the tabulation and publication of comparative financial statistics relating thereto; to provide for the administration of this act; to provide

for the powers and duties of the department of treasury, the auditor general, the library of Michigan and depository libraries, and other officers and entities; to provide penalties; and to provide for meeting the expense authorized by this act,” by amending the title and sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12 (MCL 21.41, 21.42, 21.43, 21.44, 21.45, 21.46, 21.47, 21.48, 21.49, 21.50, 21.51, and 21.52), the title as amended by 1996 PA 426, section 5 as amended by 1993 PA 196, and sections 11 and 12 as amended by 1985 PA 48; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

TITLE

An act to provide for the formulation and establishment of a uniform system of accounting and reporting in the several departments, offices, and institutions of the state government, and in all county offices; to provide for the examination of the books and accounts of each state department, office, and institution, and of each county office; to provide for financial reports from all those departments, institutions, and offices, and for the tabulation and publication of comparative financial statistics relating to the departments, institutions, and offices; to provide for the administration of this act; to provide for the powers and duties of the department of treasury, the state treasurer, the library of Michigan and depository libraries, and other officers and entities; to provide penalties; and to provide for meeting the expense authorized by this act.

21.41 Accounting and reporting system; installation by state treasurer; uniformity.

Sec. 1. The state treasurer shall formulate, prescribe, and install a system of accounting and reporting in conformity with the provisions of this act that shall be uniform for every county office and public account of the same class.

21.42 Accounting system; accounts; form and contents.

Sec. 2. The accounting system shall embrace accounts showing all sources of income, the amounts due, collected and received from each source, including all fees collected by county officers whether turned into the county treasury or not, the amount expended for each purpose, bills, and accounts payable; the receipt, use, and disposition of other public property and the income, if any, derived from them. The accounting system shall include other forms of accounts as the state treasurer may consider wise and essential to efficient financial administration of public affairs pertaining to county governments.

21.43 Accounting system; separate accounts for appropriations; contents.

Sec. 3. A separate account shall be kept of each appropriation, or fund, made to or received by each county office, which shall show the date and manner of each payment, the name and address of the person or association of persons to whom paid, and for what purpose paid.

21.44 Accounting system; uniform annual financial reports from county offices; filing; publication; distribution.

Sec. 4. It shall be the duty of each county office to make an annual financial report in accordance with forms prescribed by the state treasurer, which shall be uniform for all accounts of the same class. The reports shall be made in duplicate, 1 copy of which shall, within 6 months after the close of each fiscal year, be filed in the office of the state

treasurer, and shall contain an accurate statement in summarized form showing, for each fiscal year, the amount of all collections and receipts from all sources, and their disposition, all accounts due the public treasury but not collected, the amount of expenditures for every purpose and by what authority authorized, the amount of indebtedness, the cost of operation of all industrial activities and financial results obtained, balance of funds on hand at the close of each fiscal period, together with any other information as may be required by the state treasurer. The substance of these reports shall be arranged by the state treasurer and published at the expense of the state in an annual volume of comparative statistics, and shall be in the form as shall show the comparative receipts from the various sources of revenue and the comparative costs of county government. A sufficient number of copies of the volume shall be published to furnish a copy to each member of the legislature, a copy to each county office, and 200 copies for general distribution.

21.45 State treasurer; examination of accounts; employment and compensation of assistants; traveling expenses.

Sec. 5. The state treasurer is the supervisor of the accounts of all county offices. The state treasurer may examine, or cause to be examined, the books, accounts and financial affairs of each county office. The examination shall be made at least once in each year, or as often as the state treasurer considers it to be for the public good. The state treasurer may employ auditors, examiners, and assistants as he or she considers necessary, the number and compensation of whom shall be subject to the approval of the state administrative board and shall be within the limits of the amount of money appropriated for that purpose. In addition to their compensation, they shall be paid their necessary traveling expenses, which compensation and expenses, when audited and approved by the state treasurer, shall be paid by the state treasurer out of the fund appropriated for that purpose, upon warrant of the proper officer. The state treasurer shall receive his or her actual traveling expenses incurred while engaged in administering the provisions of this act, which shall be paid by the state treasurer out of the funds appropriated for that purpose.

21.46 Examination of accounts; subpoenas; witnesses; production of records.

Sec. 6. Upon demand of the state treasurer, or any person duly appointed by the state treasurer, to make the examinations provided in this act, any and all officers of county governments shall produce, for examination, the books of account and papers of their respective departments, institutions, and offices, and shall truthfully answer all questions relating to that examination. In connection with the examinations, the state treasurer, or any person designated to make the examinations, may issue subpoenas, direct the service of those subpoenas by any police officer, and compel the attendance and testimony of witnesses, may administer oaths and examine those persons as may be necessary, and may compel the production of books and papers. The orders and subpoenas issued by the state treasurer, or by any person charged with the duty of making the examinations as provided in this section, in pursuance of the authority in them vested by provisions of this section, may be enforced upon their application to any circuit court by proceedings in contempt, as provided by law.

21.47 Accounting system; report of examination of accounts; filing; criminal and civil proceedings; prosecution; removal for neglect.

Sec. 7. A report shall be made, in duplicate, of each examination made in accordance with the provisions of this act. The duplicate report shall be signed and verified by the

officer making the examination, 1 copy of which shall be filed with the state treasurer and 1 copy with the county examined. If any examination discloses malfeasance, misfeasance, nonfeasance, or gross neglect of duty on the part of any officer or employee of any county office, for which a criminal penalty is provided by law, an additional copy of the report shall be made and filed with the attorney general, and the attorney general, within 60 days after receipt of that report, shall institute criminal proceedings against the officer or employee, or direct that criminal proceedings be instituted by the prosecuting attorney of the county in which the offense was committed. The attorney general, or the prosecuting attorney, as the case may be, also shall institute civil action in any court of competent jurisdiction for the recovery of any public money, disclosed by any examinations to have been illegally expended, or collected and not accounted for and for the recovery of any public property disclosed to have been converted and misappropriated. Refusal or neglect to comply with the requirements of this section on the part of the attorney general, or on the part of the prosecuting attorney of any county in the state, is sufficient cause for his or her removal from office by the governor.

21.48 Accounting system; adoption by county officers mandatory; refusal; penalties.

Sec. 8. The executive officer of each county office shall adopt and use the books, forms, records and systems of accounting and reporting prescribed by the state treasurer and shall promptly purchase the books, forms, and records as may be necessary to implement their use, in the manner now provided by law for the purchase of those articles. Refusal or neglect on the part of any county officer to provide the books, forms, or records, or to use them, or to make the reports required by this act, or keep the accounts of his or her office as directed by the state treasurer, is sufficient cause for his or her removal from office by the governor. If, after the uniform accounting system has been installed in any county, it becomes necessary for an examiner employed under this act to perform any service, which a county officer has neglected or refused to do, in order to properly continue the system, then the per diem and expense incurred is a proper charge against the county where the service was performed. A statement covering that per diem and expense may be forwarded by the state treasurer to the county clerk who shall immediately issue his or her warrant upon the county treasurer who shall pay it from the general fund of the county. Money so received by the state shall be paid into the state treasury to the credit of the general fund.

21.49 Accounting system; removal for noncompliance; hearing.

Sec. 9. The governor may, and he or she shall upon a finding of guilt, remove from office the officer of any branch of the state government, or county government, who refuses or willfully neglects to keep the accounts of his or her office in the manner and form prescribed by the state treasurer, or to make the reports provided in this act, or who refuses or neglects to comply with any other requirements of this act. The state treasurer shall promptly report to the governor each refusal or neglect and the governor, before taking final action on that report, shall summons the officer complained against to make answer why he or she should not be removed from office.

21.50 Accounting system; audit of department of treasury.

Sec. 10. The department of treasury shall be audited by the auditor general as provided by law.

21.51 Giving or offering to examiner or other employee money, gift, emolument, or thing of value; purposes; misdemeanor; penalty.

Sec. 11. Any person who gives or offers to any examiner, accountant, clerk, or other employee of the department of treasury, any money, gift, emolument, or thing of value for

the purpose of influencing the action of the examiner or other employee, in any matter relating to the examination of any public account authorized by this act, or for the purpose of preventing or delaying the examination of any public account, or for the purpose of influencing the action of the examiner or other employee, in framing, changing, withholding, or delaying any report of any examination of any public account is guilty of a misdemeanor, punishable by a fine of not more than \$1,000.00 nor less than \$200.00, or imprisonment for not more than 6 months and not less than 30 days, or both.

21.52 Receiving or soliciting money, gift, emolument, or anything of value; purposes; misdemeanor; penalty.

Sec. 12. Any person appointed by the state treasurer to make the examinations provided for under this act, or any officer, clerk, or other employee of the state treasurer, who receives or solicits any money, gift, emolument, or anything of value for the purpose of being influenced in the matter of the examination of any public account authorized by this act, or for the purpose of being influenced to prevent or delay the examination of any public account, is guilty of a misdemeanor, punishable by a fine of not more than \$1,000.00 and not less than \$200.00, or imprisonment for not more than 6 months and not less than 30 days, or both.

Repeal of § 21.53.

Enacting section 1. Section 13 of 1919 PA 71, MCL 21.53, is repealed.

This act is ordered to take immediate effect.

Approved May 24, 2002.

Filed with Secretary of State May 24, 2002.

[No. 371]

(HB 5666)

AN ACT to amend 1935 PA 59, entitled "An act to provide for the public safety; to create the Michigan state police, and provide for the organization thereof; to transfer thereto the offices, duties and powers of the state fire marshal, the state oil inspector, the department of the Michigan state police as heretofore organized, and the department of public safety; to create the office of commissioner of the Michigan state police; to provide for an acting commissioner and for the appointment of the officers and members of said department; to prescribe their powers, duties, and immunities; to provide the manner of fixing their compensation; to provide for their removal from office; and to repeal Act No. 26 of the Public Acts of 1919, being sections 556 to 562, inclusive, of the Compiled Laws of 1929, and Act No. 123 of the Public Acts of 1921, as amended, being sections 545 to 555, inclusive, of the Compiled Laws of 1929," by amending section 12a (MCL 28.12a).

The People of the State of Michigan enact:

28.12a Injury to person or property caused by negligent operation of motor vehicle by state police officer or employee; reimbursement.

Sec. 12a. In case of injury to any person, or property damage, or both, caused by the negligent operation of a motor vehicle belonging to the department of state police by an

officer or employee of the department of state police, a complaint may be filed with the director of the department of state police. An investigation into the accident shall be made as provided in the rules of the department of state police. If that investigation discloses that the accident was due to the negligence of that officer or employee of the department of state police, and was not due to the negligence of any other person, a report of the investigation shall be filed in the office of the director of the department of state police. After examination of the report and, if in the opinion of the director, reimbursement for the injury to, or property damage, or both, is a proper claim, and if the claim does not exceed \$200.00, the director shall make recommendation for payment, payable from the appropriation to the department of state police, and shall submit the claim and recommendation to the state administrative board. Notwithstanding any provision of law to the contrary, if the claim and recommendation are approved by the state administrative board, the claim shall be paid.

This act is ordered to take immediate effect.

Approved May 24, 2002.

Filed with Secretary of State May 24, 2002.

[No. 372]

(HB 5667)

AN ACT to amend 1943 PA 240, entitled “An act to provide for a state employees’ retirement system; to create a state employees’ retirement board and prescribe its powers and duties; to establish certain funds in connection with the retirement system; to require contributions to the retirement system by and on behalf of members and participants of the retirement system; to create certain accounts and provide for expenditures from those accounts; to prescribe the powers and duties of certain state and local officers and employees and certain state departments and agencies; to prescribe and make appropriations for the retirement system; and to prescribe penalties and provide remedies,” by amending section 9 (MCL 38.9).

The People of the State of Michigan enact:

38.9 State treasurer as custodian of retirement system funds; powers and duties.

Sec. 9. (1) All bonds or other obligations purchased according to section 8 shall be placed in the hands of the state treasurer, who is hereby designated as custodian of the bonds or other obligations, and it shall be his or her duty to collect the principal and the interest on the bonds or other obligations as they become due and payable, and deposit the principal and interest when collected into the retirement system’s funds provided for bonds or other obligations. The administrative board may sell any of the bonds or other obligations upon like resolution, and the proceeds of the bonds or other obligations shall be paid by the purchaser to the state treasurer upon delivery to him or her of those bonds or other obligations by the state treasurer.

(2) The state treasurer shall be the custodian of all other funds of the retirement system and all disbursements shall be paid by the state treasurer upon vouchers authorized by the retirement board and bearing the signature of the authorized officer of the

retirement board. The state treasurer shall give a separate and additional bond in an amount as may be established by the retirement board in the sum of not to exceed \$100,000.00 which bond shall be approved by the attorney general and shall be conditioned for the faithful performance of his or her duties as custodian of the funds of the retirement system. The cost of the bond shall be paid out of the expense fund of the retirement board. The bond shall be deposited with the secretary of state and kept in his or her office.

(3) The state treasurer is hereby authorized and directed to deposit any portion of the funds of the retirement system not needed for immediate use in the same manner and subject to all the provisions of law with respect to the deposit of state funds by the state treasurer, and all interest earned on retirement system's funds as may be deposited by the state treasurer under this act shall be collected by him or her and placed to the credit of the retirement fund.

This act is ordered to take immediate effect.

Approved May 24, 2002.

Filed with Secretary of State May 24, 2002.

[No. 373]

(HB 5668)

AN ACT to amend 1931 PA 246, entitled "An act to provide for the construction, repair, and maintenance of pavements, sidewalks, and elevated structures on or along public roads and highways; to provide for the levying of taxes and of special assessments; to authorize the borrowing of money and the issuance of bonds; to prescribe the powers and duties of certain state and local agencies and officers; to validate actions taken, special assessments levied, and bonds issued; and to provide for the lighting of certain roads, highways, and bridges," by amending section 10 (MCL 41.280).

The People of the State of Michigan enact:

41.280 Assessment of benefits against township and parcels of land; review; assessment against state lands; numbering of districts.

Sec. 10. The commissioners shall apportion the percentage of the total cost of the improvement which the township at large shall be taxed to pay by reason of the benefit to the public convenience and welfare, which shall not exceed 25% of the total cost of the improvement, and may apportion a percentage of the total cost of the improvement, to be borne by the board of county road commissioners from the county road fund, and shall also apportion the percentage of the benefits to accrue to any piece or parcel of land by reason of the construction of that improvement over and above the sum of the percent assessed against the township at large and the percentage, if any, apportioned to the board of county road commissioners to be paid from the county road fund as provided in this section, which percent of benefit shall be apportioned upon and assessed against the lands benefited, according to the benefits received, and which apportionment shall be announced at the time and place of hearing objections to and equalizing the apportionment of benefits. The assessments of percent benefits shall be subject to review and correction and may be reviewed in the manner provided in this act. All appeals in this act provided for shall be from the apportionment of the percent of benefits. Any state lands, except state tax homestead or state swamp lands under the control of the department of natural resources, benefited by any such improvement, shall be liable to assessment in the same

manner as are privately owned lands. The amount of any assessment on state land shall be certified by the board of county road commissioners, and shall be paid by the state treasurer. Payment shall be made out of any funds in the state treasury appropriated for that purpose. In any case where an assessment is imposed by the board of county road commissioners under this act the state shall have the same right of appeal as is given to owners of other lands. The board of county road commissioners shall designate each assessment district by number, by which number it shall thereafter be known. Whenever any state land is assessed for benefits, the board of county road commissioners shall give 10 days' notice to the state treasurer of the time and place of the hearing of objections on account of the assessment.

This act is ordered to take immediate effect.
 Approved May 24, 2002.
 Filed with Secretary of State May 24, 2002.

[No. 374]

(HB 5669)

AN ACT to amend 1846 RS 14, entitled "Of county officers," by amending section 82 (MCL 51.82).

The People of the State of Michigan enact:

51.82 Sheriff; services to state; payment.

Sec. 82. If a sheriff is required, by any statutory provision, to perform any service, in behalf of the people of this state and for their benefit, that is not chargeable by law to his or her county, or to some officer or other person, his or her account for such services shall be audited by the state treasurer and paid out of the state treasury.

This act is ordered to take immediate effect.
 Approved May 24, 2002.
 Filed with Secretary of State May 24, 2002.

[No. 375]

(HB 5670)

AN ACT to amend 1909 PA 278, entitled "An act to provide for the incorporation of villages and for revising and amending their charters; to provide for the levy and collection of taxes, borrowing of money, and issuance of bonds and other evidences of indebtedness; to validate bonds issued and obligations previously incurred; and to prescribe penalties and provide remedies," by amending section 9 (MCL 78.9).

The People of the State of Michigan enact:

78.9 Proceedings; copy filed with secretary of state; recording; change effected; certificate to state treasurer; time.

Sec. 9. (1) On the filing in the office of the secretary of state and the clerk of the county or counties within which the village is located, of a copy of the petition and of every

resolution, affidavit, or certificate necessarily following a petition, with the certificate of the board of county canvassers attached, showing that the purposes of the petition have been approved by a majority of the electors voting on the petition as provided in this act, the number of votes cast on that proposition and the number cast for and against the proposition, the village is from that date duly and legally incorporated under and by the name designated in that petition, or the territory described in that petition is duly and legally consolidated as 1 village, or attached to or detached from the village named in that petition, as the case may be, and that petition and the subsequent proceedings under that petition shall be duly recorded in each of the village offices in a book to be kept for that purpose. The records or certified copies of the records shall be prima facie evidence of the due and legal incorporation of the village or of the consolidation or change of boundaries prayed for in the petition. Territory detached from any village shall become a part of the township, village or city from which it was originally taken.

(2) The secretary of state shall, within 10 days after the filing in his or her office of the certified copies as required by this section, make and file with the state treasurer a certificate showing the name of the village thus incorporated, a description of the land included within the limits of the village, or in case of a change of boundaries of any village a description of the land attached to or detached from that village.

This act is ordered to take immediate effect.

Approved May 24, 2002.

Filed with Secretary of State May 24, 2002.

[No. 376]

(HB 5671)

AN ACT to amend 1895 PA 215, entitled “An act to provide for the incorporation of cities of the fourth class; to provide for the vacation of the incorporation thereof; to define the powers and duties of such cities and the powers and duties of the municipal finance commission or its successor agency and of the department of treasury with regard thereto; to provide for the levy and collection of taxes, borrowing of money, and issuance of bonds and other evidences of indebtedness by cities; to define the application of this act and provide for its amendment by cities subject thereto; to validate such prior amendments and certain prior actions taken and bonds issued by such cities; and to prescribe penalties and provide remedies,” by amending section 4 (MCL 102.4).

The People of the State of Michigan enact:

102.4 Thoroughfares; survey; boundaries; recording of descriptions; ordinance to discontinue street; filing with secretary of state.

Sec. 4. The council may cause all public streets, alleys, and public grounds to be surveyed, and may determine and establish their boundaries and cause those surveys and descriptions to be recorded in the office of the city clerk, in a book of street records; and they shall cause surveys and descriptions of all streets, alleys, and public grounds opened, laid out, altered, extended, or accepted and confirmed by the council, to be recorded in like manner; and that record shall be prima facie evidence of the existence of those streets, alleys, or public grounds as in the records described. Every resolution or ordinance discontinuing or vacating any street, alley, or public ground shall also be recorded in the

book of street records, and the record shall be prima facie evidence of all the matters set forth in that book, and a true copy of every resolution or ordinance, containing an accurate description of the lands comprising any street, alley, or public ground, laid out, altered, extended, discontinued, or vacated shall be recorded in the office of the register of deeds for the county where those lands are situated, and shall thereafter be filed in the office of the secretary of state.

This act is ordered to take immediate effect.
Approved May 24, 2002.
Filed with Secretary of State May 24, 2002.

[No. 377]

(HB 5672)

AN ACT to amend 1949 PA 123, entitled “An act to provide for the disconnection of land from cities and villages; and to declare the effect thereof,” by amending section 4 (MCL 123.34).

The People of the State of Michigan enact:

123.34 Judgment; recording.

Sec. 4. The owner or owners of the land shall record or cause the judgment, or a certified copy of the judgment, to be recorded in the office of the register of deeds of the county or counties where the land is situated, and shall deliver a certified copy of the judgment to the secretary of state by registered mail.

This act is ordered to take immediate effect.
Approved May 24, 2002.
Filed with Secretary of State May 24, 2002.

[No. 378]

(HB 5673)

AN ACT to amend 1879 PA 190, entitled “An act in relation to removals from and filling vacancies in certain public offices,” by amending section 1 (MCL 201.91).

The People of the State of Michigan enact:

201.91 Vacancy; notice to appointing officer, body, or state treasurer.

Sec. 1. (1) If a vacancy occurs in any public office, and the vacancy may be filled by appointment by the governor or otherwise, notice of that vacancy and of the facts why the vacancy exists, shall, within 10 days after the vacancy occurs, be given in writing to the officer, board or body, having power to fill the vacancy by appointment. The notice shall be given as follows:

(a) If the vacancy is in any county office, except for the county clerk, by the clerk of that county.

(b) If in the office of the circuit judge or judges or recorders of a city court, by the clerk of the county where that officer resides at the time of the vacancy.

(c) If the vacancy is in the office of county clerk of any county, by the judge of probate of that county.

(d) If the vacancy is in the office of secretary of state, by the state treasurer.

(e) In all other cases, by the secretary of state.

(2) If a vacancy occurs in an office the salary for which is paid in whole or part from the state treasury, the officer, board, or body having the appointing power shall immediately after receiving notice of the vacancy notify the state treasurer of that vacancy.

This act is ordered to take immediate effect.

Approved May 24, 2002.

Filed with Secretary of State May 24, 2002.

[No. 379]

(HB 5614)

AN ACT to amend 1901 PA 6, entitled “An act to provide for the employment of clerks or assistants in the executive office of this state,” by amending section 1 (MCL 10.11).

The People of the State of Michigan enact:

10.11 Additional clerks and assistants; employment; compensation.

Sec. 1. The governor may from time to time employ clerks and assistants in addition to those already provided for by law, for service in his or her department, as the governor may consider necessary, the compensation of those clerks and assistants to be determined by the governor and to be paid from the general fund on the warrant of the state treasurer, in like manner as the salaries of state officers are paid.

This act is ordered to take immediate effect.

Approved May 24, 2002.

Filed with Secretary of State May 24, 2002.

[No. 380]

(SB 1168)

AN ACT to amend 1974 PA 370, entitled “An act to provide for payments to certain persons who served in the armed forces of the United States, and to beneficiaries of those persons; to prescribe the powers and duties of the adjutant general and other state offices with respect thereto; to provide for the court of claims; to adjudicate appeals; to provide for acceptance of financial and other assistance from the federal government; to create a veterans’ military pay fund in the state treasury; to make appropriations; to prescribe penalties for violations of the provisions of this act; to authorize the issuance of general obligation bonds of the state and to pledge the full faith and credit of the state for the payment of principal and interest thereon; to provide for other matters relating to the bonds and the use of the proceeds of sale of the bonds,” by amending section 15 (MCL 35.1035).

The People of the State of Michigan enact:

35.1035 Bonds; series; maturities; interest; prior redemption; registration; form; execution; investment and reinvestment of proceeds; sale; notice; bonds and notes not subject to revised municipal finance act; issuance subject to agency financing reporting act.

Sec. 15. (1) The bonds shall be issued in 1 or more series, each series to be in the principal amount, to be dated, to have the maturities that may be either serial, term, or term and serial, at the lowest possible interest cost, to be subject or not subject to prior redemption and if subject to prior redemption with the call premiums, to be payable at the place or places, to have or have not the provisions for registration as to principal only or as to both principal and interest, to be in the form and to be executed in the manner as shall be determined by resolution to be adopted by the administrative board. The administrative board may in the resolution provide for the investment and reinvestment of bond sales proceeds and any other details for the bonds and security of the bonds as may be deemed to be necessary and advisable. The bonds or any series of the bonds shall be sold for not less than the par value and shall be sold at public sale after publication of a notice of sale in a newspaper circulating in this state, which carries as part of its regular service notices of sale of municipal bonds, at least 7 days before the date fixed for sale of the bonds or series of bonds.

(2) Bonds and notes issued under this act are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(3) The issuance of bonds and notes under this act is subject to the agency financing reporting act.

This act is ordered to take immediate effect.

Approved May 24, 2002.

Filed with Secretary of State May 24, 2002.

[No. 381]

(SB 1171)

AN ACT to amend 1982 PA 220, entitled “An act to create a Michigan family farm development authority; to define the powers and duties of the authority; to authorize the making and purchase of loans, deferred payment loans, and grants to certain qualified beginning farmers; to provide tax exemptions; to provide for the issuance and purchase of notes and bonds; to provide for the establishment of funds; and to prescribe criminal penalties,” by amending section 13 (MCL 285.263), as amended by 1983 PA 68.

The People of the State of Michigan enact:

285.263 Bonds and notes; general obligations; negotiability; issuance subject to agency financing reporting act.

Sec. 13. (1) The authority may issue its negotiable bonds and notes in a principal amount, which in the opinion of the authority is necessary to provide sufficient funds for achieving its corporate purposes, the payment of interest on bonds and notes of the authority, the establishment of reserves to secure bonds and notes, and all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers.