

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

(d) The student has not been convicted of a felony involving an assault, physical injury, or death.

(e) The student satisfies any additional eligibility requirements established by the board.

(5) In any fiscal year, the board may adjust the amount of a Michigan merit award scholarship available to students eligible under 1 or more of subsections (2), (3), and (9), based upon its determination of available resources and amounts appropriated, but the board shall not increase an amount by more than 5% in any fiscal year. The board shall notify the governor, the speaker of the house of representatives, and the majority leader of the senate in writing at least 30 days before an adjustment under this subsection.

(6) For assessment tests administered after January 1, 2000, the board shall not use the assessment test to determine eligibility for a Michigan merit award scholarship under this section for a particular year unless the board has reviewed and approved the assessment test before it was administered for that year.

(7) The board shall provide each student written notice of whether or not the student is eligible for the award of 1 or more Michigan merit award scholarships described in this section. If the student is eligible, the written notice shall also contain the Michigan merit award scholarship amount for which the student is eligible, how the student applies for payment of Michigan merit award scholarship, and any other information the board considers necessary regarding qualification requirements or conditions relating to the use of the Michigan merit award scholarship.

(8) It is the intent of the legislature that the level of student performance required to achieve qualifying results in a subject area of an assessment test remains approximately the same, and that the board not reduce the required level of student performance as a means of increasing the number of Michigan merit award scholarships awarded.

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

(10) A pupil who does not initially receive qualifying results shall be extended an opportunity to achieve the requisite qualifying results by taking a subsequent assessment test.

(11) A nonpublic school student or home school student may take, and the board shall administer if requested, an assessment test at a site designated by the board.

390.1458 Scholarship; use; payment; installments; consideration in determining financial aid program; certification or affirmation by student; request or application for payment.

Sec. 8. (1) A Michigan merit award scholarship shall be used only to pay for eligible costs. The board shall determine the manner and form of application for payment of a Michigan merit award scholarship by a student eligible under section 7 and the procedure for payment to the student or to the approved postsecondary educational institution on the student's behalf. As determined by the board, upon the request of a student or parent or legal guardian of a minor student, the board may pay a Michigan merit award scholarship in 2 consecutive annual installments rather than 1 lump sum for a student who

graduates from high school or passes the general educational development (GED) test or approved graduate equivalency examination before March 1, 2003. For each student who graduates from high school or passes the general educational development (GED) test or approved graduate equivalency examination on or after March 1, 2003, the board shall pay a Michigan merit award scholarship in 2 consecutive annual installments, beginning in the state fiscal year for which the student is otherwise eligible under section 7. The first installment shall not exceed 50% of the award amount, and the second installment shall consist of the remaining award amount. Verification that the student has met the enrollment criteria under section 7(4)(c) is required prior to issuance of the second installment.

(2) An approved postsecondary educational institution shall not consider a Michigan merit award scholarship in determining a student's eligibility for a financial aid program administered by this state. It is the intent of the legislature that an approved postsecondary educational institution not reduce institutionally-funded student aid because of the Michigan merit award scholarship program.

(3) Before payment of a Michigan merit award scholarship to a student or approved postsecondary educational institution, the student shall certify or affirm in writing to the board each of the following:

(a) That the student is enrolled at an approved postsecondary educational institution.

(b) The name of the approved postsecondary educational institution in which the student is enrolled.

(c) That the student agrees to use the Michigan merit award scholarship only for eligible costs.

(d) That the student has not been convicted of a felony involving an assault, physical injury, or death.

(e) That the student graduated from high school or passed the general educational development (GED) test or approved graduate equivalency examination within 1 of the following time periods:

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

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

(4) The board shall not begin disbursing funds for a Michigan merit award scholarship to a student or an approved postsecondary educational institution on behalf of the student unless it receives the request or application for payment, including the written certification or affirmation described in this section, from the student on or before January 15 in the 2002-2003 academic year, and September 15 in any other academic year, for disbursement in that academic year.

This act is ordered to take immediate effect.

Approved December 30, 2002.

Filed with Secretary of State December 30, 2002.

[No. 737]**(HB 6448)**

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 provide for assessment fees on certain health maintenance organizations; 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 provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act,” by amending section 1202 (MCL 500.1202), as amended by 2001 PA 228, and by adding section 402c.

The People of the State of Michigan enact:

500.402c Motor vehicle rental company; insurance transaction; definitions.

Sec. 402c. (1) A certificate of authority to transact insurance in this state is not required for the sale of any travel or auto-related insurance coverages by a motor vehicle rental company or its officers or employees in connection with and incidental to the rental of a motor vehicle.

(2) As used in this section:

(a) “Motor vehicle” means a motorized vehicle designed for transporting passengers or goods.

(b) “Motor vehicle rental company” means any person in the business of providing motor vehicles to the public under a rental agreement for a period not to exceed 90 days.

500.1202 Insurance producer license.

Sec. 1202. (1) This chapter shall not be construed to require an insurer to obtain an insurance producer license. As used in this section, the term “insurer” does not include an insurer’s officers, directors, employees, subsidiaries, or affiliates.

(2) A license as an insurance producer is not required of any of the following:

(a) An officer, director, or employee of an insurer or of an insurance producer, provided that the officer, director, or employee does not receive any commission on policies written or sold to insure risks residing, located, or to be performed in this state and meets 1 or more of the following:

(i) The officer’s, director’s, or employee’s activities are executive, administrative, managerial, clerical, or a combination of these, and are only indirectly related to the sale, solicitation, or negotiation of insurance.

(ii) The officer’s, director’s, or employee’s function relates to underwriting, loss control, inspection, or the processing, adjusting, investigating, or settling of a claim on a contract of insurance.

(iii) The officer, director, or employee is acting in the capacity of a special agent or agency supervisor assisting insurance producers where the person’s activities are limited to providing technical advice and assistance to licensed insurance producers and do not include the sale, solicitation, or negotiation of insurance.

(b) A person who performs and receives no commission for any of the following services:

(i) Securing and furnishing information for the purpose of group life insurance, group property and casualty insurance, group annuities, or group or blanket accident and health insurance.

(ii) Securing and furnishing information for the purpose of enrolling individuals under plans, issuing certificates under plans, or otherwise assisting in administering plans.

(iii) Performing administrative services related to mass marketed property and casualty insurance.

(c) An employer or association or its officers, directors, employees, or the trustees of an employee trust plan, to the extent that the employers, officers, employees, directors, or trustees are engaged in the administration or operation of a program of employee benefits for the employer’s or association’s own employees or the employees of its subsidiaries or affiliates, which program involves the use of insurance issued by an insurer, as long as the employers, associations, officers, directors, employees, or trustees are not in any manner compensated, directly or indirectly, by the company issuing the contracts.

(d) Employees of insurers or organizations employed by insurers who are engaging in the inspection, rating, or classification of risks, or in the supervision of the training of insurance producers and who are not individually engaged in the sale, solicitation, or negotiation of insurance.

(e) A person whose activities in this state are limited to advertising without the intent to solicit insurance in this state through communications in printed publications or other forms of electronic mass media where distribution is not limited to residents of the state, provided that the person does not sell, solicit, or negotiate insurance that would insure risks residing, located, or to be performed in this state.

(f) A person who is not a resident of this state who sells, solicits, or negotiates a contract of insurance for commercial property and casualty risks to an insured with risks located in more than 1 state insured under that contract, provided that that person is otherwise licensed as an insurance producer to sell, solicit, or negotiate that insurance in the state where the insured maintains its principal place of business and the contract of insurance insures risks located in that state.

(g) A salaried full-time employee who counsels or advises his or her employer concerning the insurance interests of the employer or of the subsidiaries or business affiliates of the employer provided that the employee does not sell or solicit insurance or receive a commission.

(h) A person whose only sale of insurance is for travel or auto-related insurance sold in connection with and incidental to the rental of a motor vehicle under a rental agreement for a period not to exceed 90 days.

(3) As used in this section, “motor vehicle” means a motorized vehicle designed for transporting passengers or goods.

This act is ordered to take immediate effect.

Approved December 30, 2002.

Filed with Secretary of State December 30, 2002.

[No. 738]

(HB 6496)

AN ACT to authorize and regulate electronic transactions of public funds involving local units of government; and to provide for powers and duties of certain governmental agencies and officials.

The People of the State of Michigan enact:

124.301 Definitions.

Sec. 1. As used in this act:

(a) “ACH arrangement” means the agreement between the originator of the ACH transaction and the receiver of the ACH transaction.

(b) “ACH policy” means the procedures and internal controls as determined under a written policy developed and adopted by the treasurer or the electronic transactions officer of a local unit under section 3.

(c) “ACH transaction” means an electronic payment, debit, or credit transfer processed through an automated clearing house.

(d) “Automated clearing house” or “ACH” means a national and governmental organization that has authority to process electronic payments, including, but not limited to, the national automated clearing house association and the federal reserve system.

(e) “Electronic transactions officer” or “ETO” means the person designated under this act by charter or by the governing body in a local unit other than a township or county.

(f) “Governing body” means any of the following:

(i) The council, commission, or other entity vested with the legislative power of a city or village.

(ii) The township board of a township.

(iii) The county board of commissioners of a county.

(iv) The board of county road commissioners of a county.

(v) The board of education of a local or intermediate school district.

(vi) The board of trustees of a community college district.

(vii) The official body to which is granted general governing powers over an authority or organization of government established under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(viii) A community mental health authority created under section 205 of the mental health code, 1974 PA 258, MCL 330.1205.

(g) “Local school district” means a school district organized under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, or a district governed by a special or local act.

(h) “Local unit” means any of the following:

(i) A village.

(ii) A city.

(iii) A township.

(iv) A county.

(v) A county road commission.

(vi) A local school district.

(vii) An intermediate school district.

(viii) A community college district.

(ix) An authority or organization of government established under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(x) A community mental health authority created under section 205 of the mental health code, 1974 PA 258, MCL 330.1205.

(i) “Treasurer” means the elected treasurer in a township or county.

124.302 ACH arrangement; scope.

Sec. 2. (1) The treasurer or the ETO of a local unit may enter into an ACH arrangement as provided by this act.

(2) An ACH arrangement under this act is not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, or to provisions of law or charter concerning the issuance of debt by a local unit.

124.303 ACH policy; contents.

Sec. 3. A local unit shall not be a party to an ACH arrangement unless the governing body of the local unit has adopted a resolution to authorize electronic transactions and the treasurer or the ETO of the local unit has presented a written ACH policy to the governing body. The ACH policy shall include all of the following:

(a) That an officer or employee designated by the treasurer or ETO is responsible for the local unit’s ACH agreements, including payment approval, accounting, reporting, and generally for overseeing compliance with the ACH policy.

(b) That the officer or employee responsible for disbursement of funds shall submit to the local unit documentation detailing the goods or services purchased, the cost of the goods or services, the date of the payment, and the department levels serviced by payment. This report can be contained in the electronic general ledger software system of the local unit or in a separate report to the governing body of the local unit.

(c) A system of internal accounting controls to monitor the use of ACH transactions made by the local unit.

(d) The approval of ACH invoices before payment.

(e) Any other matters the treasurer or ETO considers necessary.

124.304 Noncompliance; order limiting or suspending local unit's authority.

Sec. 4. After notice and hearing as provided under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, the department of treasury may issue an order limiting or suspending the authority of a local unit to make electronic transactions under this act for failure to comply with the requirements of this act or with the requirements of the local unit's ACH policy.

124.305 ACH arrangement; validity; compliance.

Sec. 5. (1) This act does not affect the validity of an ACH arrangement entered into by a local unit before the effective date of this act.

(2) All electronic transactions made on or after the effective date of this act shall comply with this act.

This act is ordered to take immediate effect.

Approved December 20, 2002.

Filed with Secretary of State December 30, 2002.

[No. 739]

(SB 1448)

AN ACT to amend 1961 PA 236, entitled "An act to revise and consolidate the statutes relating to the organization and jurisdiction of the courts of this state; the powers and duties of such courts, and of the judges and other officers thereof; the forms and attributes of civil claims and actions; the time within which civil actions and proceedings may be brought in said courts; pleading, evidence, practice and procedure in civil and criminal actions and proceedings in said courts; to provide remedies and penalties for the violation of certain provisions of this act; to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act; and to repeal acts and parts of acts," by amending sections 1307a and 1344 (MCL 600.1307a and 600.1344), section 1307a as amended by 1986 PA 104 and section 1344 as amended by 1982 PA 226.

The People of the State of Michigan enact:

600.1307a Qualifications of juror; exemption; effect of payment for jury service; "felony" defined.

Sec. 1307a. (1) To qualify as a juror a person shall:

(a) Be a citizen of the United States, 18 years of age or older, and a resident in the county for which the person is selected, and in the case of a district court in districts of the second and third class, be a resident of the district.

- (b) Be conversant with the English language.
 - (c) Be physically and mentally able to carry out the functions of a juror. Temporary inability shall not be considered a disqualification.
 - (d) Not have served as a petit or grand juror in a court of record during the preceding 12 months.
 - (e) Not have been convicted of a felony.
- (2) A person more than 70 years of age may claim exemption from jury service and shall be exempt upon making the request.
- (3) For the purposes of this section and sections 1371 to 1376, a person has served as a juror if that person has been paid for jury service.
- (4) For purposes of this section, “felony” means a violation of a penal law of this state, another state, or the United States for which the offender, upon conviction, may be punished by death or by imprisonment for more than 1 year or an offense expressly designated by law to be a felony.

600.1344 Jurors; mileage and compensation; payment of jury fee where action removed from circuit court to lower court; fraudulent issuance of certificate of attendance as misdemeanor; penalty.

Sec. 1344. (1) A juror shall be reimbursed for his or her traveling expenses at a rate, determined by the county board of commissioners, that is not less than 10 cents per mile for traveling from the juror’s residence to the place of holding court and returning for each day or 1/2 day of actual attendance at sessions of the court.

(2) A juror also shall be compensated at a rate, determined by the county board of commissioners, as follows:

(a) Until October 1, 2003, not less than \$15.00 per day and \$7.50 per 1/2 day of actual attendance at the court.

(b) Beginning October 1, 2003, a rate determined as follows:

(i) For the first day or 1/2 day of actual attendance at the court, not less than \$25.00 per day and \$12.50 per 1/2 day.

(ii) For each subsequent day or 1/2 day of actual attendance at the court, not less than \$40.00 per day and \$20.00 per 1/2 day.

(3) If an action is removed from the circuit court to a lower court, the jury fee shall be paid to the circuit court whether paid before or after removal of the action to the lower court, and the circuit court shall be responsible for payment of the compensation to the juror involved.

(4) A clerk or deputy clerk of the court who fraudulently issues a certificate of attendance of a juror on which the juror receives pay, except as allowed by law, is guilty of a misdemeanor, punishable by imprisonment for not more than 6 months, or a fine of not more than \$500.00, or both.

Effective date.

Enacting section 1. This amendatory act takes effect October 1, 2003.

Conditional effective date.

Enacting section 2. This amendatory act does not take effect unless all of the following bills of the 91st Legislature are enacted into law:

(a) Senate Bill No. 1452.

- (b) House Bill No. 4551.
- (c) House Bill No. 4552.
- (d) House Bill No. 4553.

This act is ordered to take immediate effect.
Approved December 30, 2002.
Filed with Secretary of State December 30, 2002.

Compiler's note: The bills referred to in enacting section 2 were enacted into law as follows:

Senate Bill No. 1452 was filed with the Secretary of State December 20, 2002, and became P.A. 2002, No. 605, Eff. Jan. 1, 2003.

House Bill No. 4551 was filed with the Secretary of State December 30, 2002, and became P.A. 2002, No. 740, Eff. Jan. 1, 2003.

House Bill No. 4552 was filed with the Secretary of State December 30, 2002, and became P.A. 2002, No. 741, Eff. Jan. 1, 2003.

House Bill No. 4553 was filed with the Secretary of State December 30, 2002, and became P.A. 2002, No. 742, Eff. Oct. 1, 2003.

[No. 740]

(HB 4551)

AN ACT to amend 1961 PA 236, entitled “An act to revise and consolidate the statutes relating to the organization and jurisdiction of the courts of this state; the powers and duties of such courts, and of the judges and other officers thereof; the forms and attributes of civil claims and actions; the time within which civil actions and proceedings may be brought in said courts; pleading, evidence, practice and procedure in civil and criminal actions and proceedings in said courts; to provide remedies and penalties for the violation of certain provisions of this act; to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act; and to repeal acts and parts of acts,” (MCL 600.101 to 600.9948) by adding section 151d.

The People of the State of Michigan enact:

600.151d Juror compensation fund; creation; use; deposits; investments.

Sec. 151d. (1) The juror compensation reimbursement fund is created in the state treasury. The money in the fund shall be used as provided in section 151e.

(2) The state treasurer shall credit to the juror compensation reimbursement fund deposits of proceeds from the collection of driver license clearance fees as provided in section 321a(11) of the Michigan vehicle code, 1949 PA 300, MCL 257.321a, and deposits of proceeds from the collection of jury demand fees as provided in sections 2529(1)(c) and 8371(9), and shall credit all income from investment credited to the fund by the state treasurer. The state treasurer may invest money in the fund in any manner authorized by law for the investment of state money. However, an investment shall not interfere with any apportionment, allocation, or payment of money as required by section 151e. The state treasurer shall credit to the fund all income earned as a result of an investment of money in the fund. The unencumbered balance remaining in the fund at the end of a fiscal year shall remain in the fund and shall not revert to the general fund.

Effective date.

Enacting section 1. This amendatory act takes effect January 1, 2003.

Conditional effective date.

Enacting section 2. This amendatory act does not take effect unless all of the following bills of the 91st Legislature are enacted into law:

- (a) Senate Bill No. 1448.
- (b) Senate Bill No. 1452.
- (c) House Bill No. 4552.
- (d) House Bill No. 4553.

This act is ordered to take immediate effect.

Approved December 30, 2002.

Filed with Secretary of State December 30, 2002.

Compiler's note: The bills referred to in enacting section 2 were enacted into law as follows:

Senate Bill No. 1448 was filed with the Secretary of State December 30, 2002, and became P.A. 2002, No. 739, Eff. Oct. 1, 2003.

Senate Bill No. 1452 was filed with the Secretary of State December 30, 2002, and became P.A. 2002, No. 605, Eff. Jan. 1, 2003.

House Bill No. 4552 was filed with the Secretary of State December 30, 2002, and became P.A. 2002, No. 741, Eff. Jan. 1, 2003.

House Bill No. 4553 was filed with the Secretary of State December 30, 2002, and became P.A. 2002, No. 742, Eff. Oct. 1, 2003.

[No. 741]**(HB 4552)**

AN ACT to amend 1949 PA 300, entitled "An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents and nonresidents; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to provide appropriations for certain purposes; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date," by amending section 321a (MCL 257.321a), as amended by 1999 PA 73.

The People of the State of Michigan enact:

257.321a Failure to answer citation or notice to appear in court; failure to comply with order or judgment; misdemeanor; notice and duration of suspension; exceptions; effect of failure to appear; giving copy of information transmitted to secretary of state to person; driver license reinstatement fees.

Sec. 321a. (1) A person who fails to answer a citation, or a notice to appear in court for a violation reportable to the secretary of state under section 732 or a local ordinance substantially corresponding to a violation of a law of this state reportable to the secretary of state under section 732, or for any matter pending, or who fails to comply with an order or judgment of the court, including, but not limited to, paying all fines, costs, fees, and assessments, is guilty of a misdemeanor punishable by imprisonment for not more than 93

days or a fine of not more than \$100.00, or both. A violation of this subsection or failure to answer a citation or notice to appear for a violation of section 33b(1) of former 1933 (Ex Sess) PA 8, section 703(1) of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1703, or a local ordinance substantially corresponding to either of those sections shall not be considered a violation for any purpose under section 320a.

(2) Except as provided in subsection (3), 28 days or more after a person fails to answer a citation, or a notice to appear in court for a violation reportable to the secretary of state under section 732 or a local ordinance substantially corresponding to a violation of a law of this state reportable to the secretary of state under section 732, or for any matter pending, or fails to comply with an order or judgment of the court, including, but not limited to, paying all fines, costs, fees, and assessments, the court shall give notice by mail at the last known address of the person that if the person fails to appear or fails to comply with the order or judgment within 14 days after the notice is issued, the secretary of state shall suspend the person's operator's or chauffeur's license. If the person fails to appear or fails to comply with the order or judgment within the 14-day period, the court shall, within 14 days, inform the secretary of state, who shall immediately suspend the license of the person. The secretary of state shall immediately notify the person of the suspension by regular mail at the person's last known address.

(3) If the person is charged with, or convicted of, a violation of section 625 or a local ordinance substantially corresponding to section 625(1), (2), (3), or (6) and the person fails to answer a citation or a notice to appear in court, or for any matter pending, or fails to comply with an order or judgment of the court, including, but not limited to, paying all fines, costs, and crime victim rights assessments, the court shall immediately give notice by first-class mail sent to the person's last known address that if the person fails to appear within 7 days after the notice is issued, or fails to comply with the order or judgment of the court, including, but not limited to, paying all fines, costs, and crime victim rights assessments, within 14 days after the notice is issued, the secretary of state shall suspend the person's operator's or chauffeur's license. If the person fails to appear within the 7-day period, or fails to comply with the order or judgment of the court, including, but not limited to, paying all fines, costs, and crime victim rights assessments, within the 14-day period, the court shall immediately inform the secretary of state who shall immediately suspend the person's operator's or chauffeur's license and notify the person of the suspension by first-class mail sent to the person's last known address.

(4) If the person is charged with, or convicted of, a violation of section 33b(1) of former 1933 (Ex Sess) PA 8, section 703(1) of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1703, section 624a, section 624b, or a local ordinance substantially corresponding to those sections and the person fails to answer a citation or a notice to appear in court issued pursuant to section 33b of former 1933 (Ex Sess) PA 8, section 703 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1703, section 624a, section 624b, or a local ordinance substantially corresponding to those sections or fails to comply with an order or judgment of the court issued pursuant to section 33b of former 1933 (Ex Sess) PA 8, section 703 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1703, section 624a, section 624b, or a local ordinance substantially corresponding to those sections including, but not limited to, paying all fines and costs, the court shall immediately give notice by first-class mail sent to the person's last known address that if the person fails to appear within 7 days after the notice is issued, or fails to comply with the order or judgment of the court, including, but not limited to, paying all fines and costs, within 14 days after the notice is issued, the secretary of state shall suspend the person's operator's or chauffeur's license. If the person fails to appear within the 7-day period, or fails to comply with the order or judgment of the court, including, but not limited to, paying all fines and costs, within the 14-day period, the court shall immediately inform the secretary of state who shall immediately suspend the person's operator's or chauffeur's license and notify the person of the suspension by first-class mail sent to the person's last known address.

(5) A suspension imposed under subsection (2) or (3) remains in effect until both of the following occur:

(a) The secretary of state is notified by each court in which the person failed to answer a citation or notice to appear or failed to pay a fine or cost that the person has answered that citation or notice to appear or paid that fine or cost.

(b) The person has paid to the court a \$45.00 driver license clearance fee for each failure to answer a citation or failure to pay a fine or cost.

(6) The court shall not notify the secretary of state, and the secretary of state shall not suspend the person's license, if the person fails to appear in response to a citation issued for, or fails to comply with an order or judgment involving 1 or more of the following infractions:

(a) The parking or standing of a vehicle.

(b) A pedestrian, passenger, or bicycle violation, other than a violation of section 33b(1) or (2) of former 1933 (Ex Sess) PA 8, section 703(1) or (2) of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1703, section 624a or 624b, or a local ordinance substantially corresponding to section 33b(1) or (2) of former 1933 (Ex Sess) PA 8, section 703(1) or (2) of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1703, or section 624a or 624b.

(7) The court may notify a person who has done either of the following, that if the person does not appear within 10 days after the notice is issued, the court will inform the secretary of state of the person's failure to appear:

(a) Failed to answer 2 or more parking violation notices or citations for violating a provision of this act or an ordinance substantially corresponding to a provision of this act pertaining to parking for persons with disabilities.

(b) Failed to answer 6 or more parking violation notices or citations regarding illegal parking.

(8) The secretary of state, upon being informed of the failure of a person to appear or comply as provided in subsection (7), shall not issue a license to the person or renew a license for the person until both of the following occur:

(a) The court informs the secretary of state that the person has resolved all outstanding matters regarding the notices or citations.

(b) The person has paid to the court a \$45.00 driver license clearance fee. If the court determines that the person is responsible for only 1 parking violation under subsection (7)(a) or less than 6 parking violations under subsection (7)(b) for which the person's license was not issued or renewed under this subsection, the court may waive payment of the fee.

(9) Not less than 28 days after a person fails to appear in response to a citation issued for, or fails to comply with an order or judgment involving, a state civil infraction described in chapter 88 of the revised judicature act of 1961, 1961 PA 236, MCL 600.8801 to 600.8835, the court shall give notice by ordinary mail, addressed to the person's last known address, that if the person fails to appear or fails to comply with the order or judgment described in this subsection within 14 days after the notice is issued, the court will give to the secretary of state notice of that failure. Upon receiving notice of that failure, the secretary of state shall not issue or renew an operator's or chauffeur's license for the person until both of the following occur:

(a) The court informs the secretary of state that the person has resolved all outstanding matters regarding each notice or citation.

(b) The person has paid to the court a \$45.00 driver license clearance fee. If the court determines that the person is not responsible for any violation for which the person's license was not issued or renewed under this subsection, the court shall waive the fee.

(10) For the purposes of subsections (5)(a), (8)(a), and (9)(a), the court shall give to the person a copy of the information being transmitted to the secretary of state. Upon showing that copy, the person shall not be arrested or issued a citation for driving on a suspended license, on an expired license, or without a license on the basis of any matter resolved under subsection (5)(a), (8)(a), or (9)(a), even if the information being sent to the secretary of state has not yet been received or recorded by the department.

(11) For each fee received under subsection (5)(b), (8)(b), or (9)(b), the court shall transmit the following amounts on a monthly basis:

(a) Fifteen dollars to the secretary of state. The funds received by the secretary of state under this subdivision shall be deposited in the state general fund and shall be used to defray the expenses of the secretary of state in processing the suspension and reinstatement of driver licenses under this section.

(b) Fifteen dollars to 1 of the following, as applicable:

(i) If the matter is before the circuit court, to the treasurer of the county for deposit in the general fund.

(ii) If the matter is before the district court, to the treasurer of the district funding unit for that court, for deposit in the general fund. As used in this section, "district funding unit" means that term as defined in section 8104 of the revised judicature act of 1961, 1961 PA 236, MCL 600.8104.

(iii) If the matter is before a municipal court, to the treasurer of the city in which the municipal court is located, for deposit in the general fund.

(c) Fifteen dollars to the juror compensation reimbursement fund created in section 151d of the revised judicature act of 1961, 1961 PA 236, MCL 600.151d.

(12) Section 819 does not apply to a reinstatement fee collected for an operator's or chauffeur's license that is not issued or renewed under section 8827 of the revised judicature act of 1961, 1961 PA 236, MCL 600.8827.

Effective date.

Enacting section 1. This amendatory act takes effect January 1, 2003.

Conditional effective date.

Enacting section 2. This amendatory act does not take effect unless all of the following bills of the 91st Legislature are enacted into law:

- (a) Senate Bill No. 1448.
- (b) Senate Bill No. 1452.
- (c) House Bill No. 4551.
- (d) House Bill No. 4553.

This act is ordered to take immediate effect.

Approved December 30, 2002.

Filed with Secretary of State December 30, 2002.

Compiler's note: The bills referred to in enacting section 2 were enacted into law as follows:

Senate Bill No. 1448 was filed with the Secretary of State December 30, 2002, and became P.A. 2002, No. 739, Eff. Oct. 1, 2003.
Senate Bill No. 1452 was filed with the Secretary of State December 20, 2002, and became P.A. 2002, No. 605, Eff. Jan. 1, 2003.
House Bill No. 4551 was filed with the Secretary of State December 30, 2002, and became P.A. 2002, No. 740, Eff. Jan. 1, 2003.
House Bill No. 4553 was filed with the Secretary of State December 30, 2002, and became P.A. 2002, No. 742, Eff. Oct. 1, 2003.

[No. 742]**(HB 4553)**

AN ACT to amend 1961 PA 236, entitled “An act to revise and consolidate the statutes relating to the organization and jurisdiction of the courts of this state; the powers and duties of such courts, and of the judges and other officers thereof; the forms and attributes of civil claims and actions; the time within which civil actions and proceedings may be brought in said courts; pleading, evidence, practice and procedure in civil and criminal actions and proceedings in said courts; to provide remedies and penalties for the violation of certain provisions of this act; to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act; and to repeal acts and parts of acts,” (MCL 600.101 to 600.9948) by adding section 151e.

The People of the State of Michigan enact:

600.151e Juror compensation reimbursement fund; distribution; report; conditions for reimbursement; payments; “court funding unit” defined.

Sec. 151e. (1) The money in the juror compensation reimbursement fund shall be distributed each year as provided in this section.

(2) Each court funding unit shall submit a report semiannually to the state court administrator, for each court for which it is a funding unit, giving the total amount of the expense incurred during the fiscal year by that funding unit due to the increase in the statutory minimum compensation rate for jurors that took effect October 1, 2003, pursuant to section 1344. If any of the juror compensation payments made by that court funding unit were in excess of the statutory minimum amount prescribed in section 1344, the report also shall include the total amount paid to jurors in excess of that statutory minimum.

(3) Each year, the state court administrator, at the direction of the supreme court and upon confirmation by the state treasurer of the total amount available in the fund, shall distribute from the fund the amount prescribed in subsection (4). However, reimbursements under this subsection are subject to both of the following:

(a) The state court administrator shall be reimbursed semiannually from the fund for reasonable costs associated with the administration of this section, not to exceed either of the following:

(i) For the fiscal year beginning October 1, 2003, an annual total of \$100,000.00.

(ii) For fiscal years beginning after September 30, 2004, an annual total of \$40,000.00.

(b) If the amount available in the fund in any fiscal year is more than the amount needed to pay the entire reimbursement required for all court funding units under subsection (4), the unencumbered balance shall be carried forward to the next fiscal year and shall not revert to the general fund.

(4) Each court funding unit is entitled to receive reimbursement from the fund for the expense amount reported under subsection (2) for the preceding 6 months, excluding any juror compensation in excess of the statutory minimum.

(5) Payments from the fund shall be made every 6 months. Reimbursement for each 6-month period beginning with the quarter that ends March 31, 2004 shall be made from the fund not later than 2 months after the end of the 6-month period.

(6) In addition to the amounts to be paid out under subsection (5) for the 6-month period ending March 31, 2004 and for the 6-month period ending September 30, 2004, the state court administrator shall pay an additional sum equal to 14% of the payment due under subsection (5) to each court funding unit. These 2 extra payments are intended to offset expenses incurred by court funding units for costs in adapting to the changes in the statutory minimum rate for juror compensation as implemented by the 2002 amendatory act that amended section 1344.

(7) As used in this section, “court funding unit” means 1 of the following, as applicable:

(a) For circuit or probate court, the county.

(b) For district court, the district funding unit as that term is defined in section 8104.

(c) For a municipal court, the city in which the municipal court is located.

Effective date.

Enacting section 1. This amendatory act takes effect October 1, 2003.

Conditional effective date.

Enacting section 2. This amendatory act does not take effect unless all of the following bills of the 91st Legislature are enacted into law:

(a) Senate Bill No. 1448.

(b) Senate Bill No. 1452.

(c) House Bill No. 4551.

(d) House Bill No. 4552.

This act is ordered to take immediate effect.

Approved December 30, 2002.

Filed with Secretary of State December 30, 2002.

Compiler's note: The bills referred to in enacting section 2 were enacted into law as follows:

Senate Bill No. 1448 was filed with the Secretary of State December 30, 2002, and became P.A. 2002, No. 739, Eff. Oct. 1, 2003.

Senate Bill No. 1452 was filed with the Secretary of State December 20, 2002, and became P.A. 2002, No. 605, Eff. Jan. 1, 2003.

House Bill No. 4551 was filed with the Secretary of State December 30, 2002, and became P.A. 2002, No. 740, Eff. Jan. 1, 2003.

House Bill No. 4552 was filed with the Secretary of State December 30, 2002, and became P.A. 2002, No. 741, Eff. Jan. 1, 2003.

[No. 743]

(HB 4605)

AN ACT to amend 1943 PA 240, entitled “An act to provide for a state employees’ retirement system; to create a state employees’ retirement board and prescribe its powers and duties; to establish certain funds in connection with the retirement system; to require contributions to the retirement system by and on behalf of members and participants of the retirement system; to create certain accounts and provide for expenditures from those accounts; to prescribe the powers and duties of certain state and local officers and employees and certain state departments and agencies; to prescribe and make appropriations for the retirement system; and to prescribe penalties and provide remedies,” by amending sections 11, 13, 45, 46, and 47 (MCL 38.11, 38.13, 38.45, 38.46, and 38.47), sections 11, 13, and 46 as amended by 2002 PA 93 and section 45 as amended by 1988 PA 351, and by adding sections 19i and 47a.

The People of the State of Michigan enact:

38.11 Employees' savings fund, employer's accumulation fund, annuity reserve fund, pension reserve fund, income fund, expense fund, and health insurance reserve fund; creation; health advance funding subaccount; description of funds as reference to accounting records of retirement system.

Sec. 11. (1) There is created the employees' savings fund, employer's accumulation fund, annuity reserve fund, pension reserve fund, income fund, expense fund, and health insurance reserve fund.

(2) The employees' savings fund is the fund in which shall be accumulated at regular interest the contributions to the retirement system deducted from the compensation of members. The retirement board shall provide for the maintenance of an individual account for each member that shows the amount of the member's contributions together with interest on those contributions. The accumulated contributions of a member returned to the member upon his or her withdrawal from service, or paid to the member's estate or designated beneficiary in the event of the member's death, as provided in this act, shall be paid from the employees' savings fund. Any accumulated contributions not claimed by a member or the member's legal representative as provided in this act within 5 years after the member's separation from state service shall be transferred from the employees' savings fund to the income fund. The accumulated contributions of a member, upon the member's retirement, shall be transferred from the employees' savings fund to the pension reserve fund.

(3) The employer's accumulation fund is the fund in which shall be accumulated the reserves derived from money provided by this state for the payment of all retirement allowances to be payable to retirants and beneficiaries as provided in this act. The amounts paid by this state shall be credited to the employer's accumulation fund. Upon the retirement of a member, or upon the member's death, if a beneficiary is entitled to a retirement allowance payable from funds of the retirement system, the difference between the reserve for the retirement allowance to be paid on account of the member's retirement or death and the member's accumulated contributions standing to his or her credit in the employees' savings fund at the time of his or her retirement or death shall be transferred from the employer's accumulation fund to the pension reserve fund. If, in any year, the pension reserve fund is insufficient to cover the reserves for retirement allowances and other benefits being paid from the fund, the amount or amounts of the insufficiency or insufficiencies shall be transferred from the employer's accumulation fund to the pension reserve fund.

(4) The annuity reserve fund is the fund from which shall be paid all annuities, or benefits in lieu of annuities, because of which reserves have been transferred from the employees' savings fund to the annuity reserve fund. Upon the adoption of this act, the balance in the annuity reserve fund shall be transferred to the pension reserve fund, and the annuities heretofore payable from the annuity reserve fund shall thereafter become payable from the pension reserve fund.

(5) The pension reserve fund is the fund from which shall be paid all retirement allowances and benefits in lieu of pensions, as provided in this act. For a disability retirant returned to active service with this state, his or her pension reserve, computed as of the date of return, shall be transferred from the pension reserve fund to the employees' savings fund and the employer's accumulation fund in the proportion that this reserve, as of the date of his or her retirement, was transferred to the pension reserve fund from the employees' savings fund and from the employer's accumulation fund. The amounts

transferred to the employees' savings fund under this section shall be credited to the member's individual account in the fund.

(6) An income fund is created for the purpose of crediting regular interest on the amounts in the various other funds of the retirement system with the exception of the expense fund, and to provide a contingent fund out of which special requirements of any of the other funds may be covered. Transfers for special requirements shall be made only when the amount in the income fund exceeds the ordinary requirements of the fund as evidenced by a resolution of the retirement board recorded in its minutes. The retirement board shall annually allow regular interest for the preceding year to each of the funds enumerated in subsections (2), (3), (4), (5), and (8), and the amount allowed under this subsection shall be due and payable to each of these funds and shall be annually credited to the funds by the retirement board and paid from the income fund. However, interest on contributions from members within a calendar year shall begin on the first day of the next calendar year, and shall be credited at the end of the calendar year. Except as provided in this subsection, income, interest, and dividends derived from the deposits and investments authorized by this act shall be paid into the income fund. The retirement system shall determine the share of income, interest, and dividends attributable to the balance in the health advance funding subaccount created under subsection (9) and the share of income, interest, and dividends attributable to the health advance funding subaccount balance shall be paid into the health advance funding subaccount. The retirement board is authorized to accept gifts and bequests. Any funds that come into the possession of the retirement system as a gift or bequest, or any funds that may be transferred from the employees' savings fund by reason of lack of claimant, or because of a surplus in any fund created by this act, or any other money the disposition of which is not otherwise provided for in this act shall be credited to the income fund.

(7) The expense fund is the fund from which shall be paid the expenses of the administration of this act, exclusive of amounts payable as retirement allowances and other benefits provided for in this act. The legislature shall appropriate the funds necessary to defray and cover the expenses of administering this act.

(8) The health insurance reserve fund is the fund into which appropriations made by the legislature, subscriber co-payments, and payments by the retirement system under section 68 for health, dental, and vision insurance premiums are paid. Health, dental, and vision insurance premiums payable pursuant to sections 20d and 68 shall be paid from the health insurance reserve fund. The assets and any earnings on the assets contained in the health insurance reserve fund and the health advance funding subaccount described in subsection (9) are not to be treated as pension assets for any purpose.

(9) The health advance funding subaccount is the account to which amounts transferred pursuant to sections 20d, 38(6), and 52 are credited. Any amounts received in the health advance funding subaccount and accumulated earnings on those amounts shall not be expended until the actuarial accrued liability for health benefits under section 20d is at least 100% funded. The department may expend funds or transfer funds to another account to expend for health benefits under section 20d if the actuarial accrued liability for health benefits under section 20d is at least 100% funded. For each fiscal year after the fiscal year in which the actuarial accrued liability for health benefits under section 20d is at least 100% funded by the health advance funding subaccount, amounts received in the health advance funding subaccount and accumulated earnings on those amounts may be expended or credited to fund health benefits under section 20d as provided in section 38(3). For the fiscal year ending on September 30, 2003 only, the general fund portion of all amounts received in the health advance funding subaccount as of October 1, 2002 and accumulated earnings on those amounts shall be transferred to the general fund. Notwith-

standing any other provision of this section, the department may transfer amounts from the health advance funding subaccount to the employer's accumulation fund created under this section if the department does both of the following:

(a) At least 45 days before the intended transfer, submits a request to the chairs of the senate and house appropriations committees and, at least 15 days before the intended transfer, obtains the approval of both the senate and house appropriations committees.

(b) Ensures that the request submitted to the senate and house appropriations committees contains an actuarial valuation prepared pursuant to section 38 that demonstrates that as of the beginning of a fiscal year, and after all credits and transfers required by this act for the previous fiscal year have been made, the sum of the actuarial value of assets and the actuarial present value of future normal cost contributions does not exceed the actuarial present value of benefits.

(10) The description of the various funds in this section shall be interpreted to refer to the accounting records of the retirement system and not to the segregation of assets credited to the various funds of the retirement system.

38.13 Membership in retirement system.

Sec. 13. (1) Except as otherwise provided in this act, membership in the retirement system consists of state employees occupying permanent positions in the state civil service. All state employees except those specifically excluded by law and those who are members or eligible to be members of other statutory retirement systems in this state, shall become members of the retirement system. The employees may use service previously performed as an employee of this state in meeting the service requirements for the retirement allowances and death benefits provided by the retirement system. However, the prior service shall not be used in computing the amount of a retirement allowance to be paid by the retirement system unless the employee pays to the retirement system the amount the employee's contributions would have been had the employee become a member immediately upon employment by the state with interest compounded annually at the regular rate from a date 1 year after the date of employment by this state to the date of payment. A person who draws compensation as a state employee of a political subdivision of this state is eligible for the benefits provided by this act to the extent of the person's compensation paid by this state. An individual who meets the requirements of section 44a is a member of the retirement system.

(2) Elected or appointed state officials may elect not to become or continue as members of the retirement system by filing written notice with the retirement board. An appointed state official who is a member of a state board, commission, or council and who receives a per diem rate in his or her capacity as a member of the board, commission, or council is excluded from membership in the retirement system for the service rendered in his or her capacity as a member of the board, commission, or council. Service performed by an elected or appointed official during the time the official elects not to participate shall not be used in meeting the service requirement or in computing the amount of retirement allowance to be paid by the retirement system. A member who elects not to participate shall be refunded all contributions made before the election.

(3) Membership in the retirement system does not include any of the following:

(a) A person who is a contributing member in the public school employees' retirement system provided for in the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408.

(b) A person who is a contributing member in the Michigan judges retirement system provided for in the judges retirement act of 1992, 1992 PA 234, MCL 38.2101 to 38.2670.

(c) A person who comes within the Michigan state police retirement system provided for in the state police retirement act of 1986, 1986 PA 182, MCL 38.1601 to 38.1648.

(d) An individual who is first employed and entered upon the payroll on or after March 31, 1997 for employment for which the individual would have been eligible for membership under this section before March 31, 1997. An individual described in this subdivision is eligible to be a qualified participant in Tier 2 subject to sections 50 to 69.

(e) Except as provided in section 19g, an individual who elects to terminate membership under section 50 and who, but for that election, would otherwise be eligible for membership in Tier 1 under this section.

(f) A retirant who again becomes employed by the state and is entered upon the payroll on or after December 1, 2002, for employment for which the retirant would have been eligible for membership under this section before December 1, 2002. A retirant described in this subdivision shall be a qualified participant in Tier 2 subject to sections 50 to 69.

(4) A person who is hired in state classified or unclassified service after June 30, 1974, who is first employed and entered upon the payroll before March 31, 1997, and who possesses a Michigan teaching certificate shall be a member of this retirement system. After June 30, 1974, but before March 31, 1997, a person who returns to state employment in the classified or unclassified service who previously was a contributing member of the Michigan public school employees' retirement system shall have the person's accumulated contributions and service transferred to this retirement system, or having withdrawn the contributions, may pay into the retirement system the amount withdrawn together with regular interest and have credit restored as provided for in section 16. On and after March 31, 1997, an individual described in this subsection who returns to state service shall make an irrevocable election to remain in Tier 1 or to become a qualified participant of Tier 2 in the manner prescribed in section 50.

(5) A person, not regularly employed by this state, who is employed through participation in 1 or more of the following programs, shall not be a member of the retirement system and shall not receive service credit for the employment:

(a) A program authorized, undertaken, and financed pursuant to the comprehensive employment and training act of 1973, former Public Law 93-203, 87 Stat. 839.

(b) A summer youth employment program established pursuant to the Michigan youth corps act, 1983 PA 69, MCL 409.221 to 409.229.

(c) A program established pursuant to the job training partnership act, Public Law 97-300, 96 Stat. 1322.

(d) A program established pursuant to the Michigan opportunity and skills training program, first established under sections 12 to 23 of 1983 PA 259.

(e) A program established pursuant to the Michigan community service corps program, first established under sections 25 to 35 of 1983 PA 259.

(6) A person, not regularly employed by this state, who is employed to administer a program described in subsection (5) shall not be a member of the retirement system and shall not receive service credit for the employment.

(7) If a person described in subsection (5)(a) later becomes a member of this retirement system within 12 months after the date of termination as a participant in a transitional public employment program, service credit shall be given for employment which is excluded in subsection (5) for purposes of determining a retirement allowance upon the payment by the person's employer under subsection (5) from funds provided under the comprehensive employment and training act of 1973, former Public Law 93-203, 87 Stat. 839, as funds permit, to the retirement system of the contributions, plus regular interest, the

employer would have paid had the employment been rendered in a position covered by this act. During the person's employment in the transitional public employment program, the person's employer shall place in reserve a reasonable but not necessarily an actuarially determined amount equal to the contributions that the employer would have paid to the retirement system for those employees in the transitional public employment program as if they were members under this act, but only for that number of employees that the employer determined would move from the transitional public employment program into positions covered by this act. If the funds provided under the comprehensive employment and training act of 1973, former Public Law 93-203, 87 Stat. 839, are insufficient, the remainder of the employer contributions shall be paid by the person's current employer.

(8) For purposes of section 19g, a former member shall be considered a member and shall be considered to have satisfied the requirements of section 19g(1)(c) and (2)(c) if the former member was employed by the department formerly known as the department of mental health on January 1, 1996 and went on layoff status before January 1, 1997.

38.19i Retirement allowance; computation; accumulated sick leave; purchase of service credit; hiring under contract; limitation.

Sec. 19i. (1) Notwithstanding section 19, a member may retire and receive a retirement allowance computed under this section if the member meets all of the following requirements:

(a) On or before December 31, 2002, or on the effective date of his or her retirement, whichever is earlier, the member's combined age and length of credited service is equal to or greater than 75 years, or, if the member has at least 20 years of service credit, the member's combined age and length of credited service is equal to or greater than 65 years.

(b) The member is an employee of the legislature, is an employee of the office of governor, is an employee of the judicial system, or is an unclassified employee within the state civil service.

(c) The member was employed by this state or the legislature for the 30-month period ending on December 1, 2002. A member who is on layoff status from state employment is considered to have met the employment requirement of this subdivision.

(d) The member executes and files a written application with the retirement board, on or after December 1, 2002, but not later than December 31, 2002, stating a date on or after January 1, 2003, but not later than February 1, 2003, on which he or she desires to retire. A member may withdraw a written application on or before January 15, 2003. A written application submitted by a member and not withdrawn on or before January 15, 2003 is irrevocable.

(e) The member is not employed in a covered position as defined in section 45.

(f) The member is not a conservation officer as described in section 48.

(2) If a member meets all of the requirements of subsection (1) except the requirement in subsection (1)(c), the member may retire and receive a retirement allowance equal to the member's number of years and fraction of a year of credited service multiplied by 1-1/2% of his or her final average compensation. Except for the calculation provided in this subsection, the member's retirement allowance is subject to section 20. The member's retirement allowance is not subject to reduction pursuant to section 19(2).

(3) Any amount that a member retiring under this section would otherwise be entitled to receive in a lump sum at retirement on account of accumulated sick leave shall be paid in 60 consecutive equal monthly installments beginning on or after February 1, 2003.

Payments received under this subsection may not be used to purchase service credit under this act. These payments for accumulated sick leave are to be paid from funds appropriated to the appointing authority and not from funds of the retirement system. These payments shall be considered taxable income under the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532.

(4) Upon his or her retirement as provided in this section, a member who did not make an election under section 50 to terminate membership in Tier 1 and become a qualified participant in Tier 2 shall receive a retirement allowance equal to the member's number of years and fraction of a year of credited service multiplied by 1-3/4% of his or her final average compensation. Except for the calculation provided in this subsection, the member's retirement allowance is subject to section 20. The member's retirement allowance is not subject to reduction pursuant to section 19(2).

(5) Upon his or her retirement as provided in this section, a former member who made an election under section 50 to terminate membership in Tier 1 and become a qualified participant in Tier 2 shall receive a retirement allowance equal to the member's number of years and fraction of a year of credited service multiplied by 1/4% of his or her final average compensation. Except for the calculation provided in this subsection, the former member's retirement allowance is subject to section 20. The former member's retirement allowance is not subject to reduction pursuant to section 19(2).

(6) For purposes of this section, an individual who elected to terminate membership under section 50 and who, but for that election, would otherwise be eligible for membership in Tier 1 under section 13, shall be considered a member of Tier 1 for the limited purpose of receiving a retirement allowance calculated under this section and paid by the retirement system.

(7) An employee who retires under this section shall not be hired under contract by the state for a period of 2 years after the date of separation.

38.45 Definitions.

Sec. 45. As used in sections 45 to 47:

(a) "Covered position" means any of the following:

(i) On or after January 1, 1989, a position in the classified civil service with a classification of corrections officer; resident unit officer; corrections medical aide; corrections shift supervisor; corrections security specialist; deputy prison warden; or departmental administrator-prison warden.

(ii) On or after January 1, 1989, a position that is assigned to a work station inside the security perimeter of a state correctional facility designated as "medium", "close", or "maximum".

(iii) On or after January 1, 1989, a position within a state correctional facility that requires the employee to be in direct contact with prisoners for more than 50% of the employee's work time performing supervisory or disciplinary duties including 1 or more of the following:

(A) Supervising prisoners in the performance of tasks.

(B) Supervising prisoners for the purpose of enforcing the facility's rules.

(C) Direct participation in the disciplinary process.

(iv) On or after January 1, 1989, a position with the center for forensic psychiatry that is classified by civil service as forensics security aide IIB, forensics security aide IIIB, forensics security supervisor IVB, forensics security supervisor VB, forensics security supervisor VIB, or forensics supervisor VII.

(v) A position that was a covered position under this section before January 1, 1989, that is excluded by subparagraphs (i), (ii), (iii), and (iv), if and only as long as the person in the position on January 1, 1989, continues in the position after January 1, 1989.

(b) “Supplemental member” means a member who is employed in a covered position.

(c) “Covered service” means credited service acquired in a covered position.

(d) “Supplemental final average compensation” means 1/3 of the compensation paid a supplemental member during the period of 3 consecutive years of the member’s covered service producing the highest average and contained within the member’s last 10 years of credited service immediately preceding the date the member’s employment in a covered position last terminates.

(e) “State correctional facility” means a facility under the jurisdiction of the department of corrections that has a designation of “maximum”, “close”, “medium”, “minimum”, “prison camp”, or “correction center”.

38.46 Retirement or separation from employment of supplemental member with supplemental early retirement allowance; conditions; determination of eligibility.

Sec. 46. (1) A supplemental member may retire with a supplemental early retirement allowance as provided for in section 47 if the supplemental member meets all of the following conditions:

(a) He or she is age 51 years or older but less than age 62 years.

(b) He or she has 25 or more years of covered service.

(c) His or her last 3 years of credited service are covered service.

(d) He or she files a written request for retirement with the retirement board stating the date that he or she wishes to be retired.

(2) A supplemental member may be separated from employment in a covered position the first day of the calendar month following the month in which he or she attains age 56 years. A supplemental member separated under this subsection may retire with a supplemental early retirement allowance provided in section 47 if he or she satisfies each of the following conditions:

(a) He or she has not attained age 62 years.

(b) He or she has 10 or more years of covered service.

(c) His or her last 3 years of credited service are covered service.

(d) He or she files a written request for retirement with the retirement board stating the date that he or she wishes to be retired.

(3) The state personnel director shall determine all questions on eligibility for supplemental early retirement benefits within the meaning of sections 45 to 47.

38.47 Temporary straight life supplemental early retirement allowance; payment; computation; electing optional form of payment.

Sec. 47. (1) Upon retirement as provided in section 46, a supplemental member shall be paid a temporary straight life supplemental early retirement allowance terminating upon the supplemental member reaching age 62 years or his or her death, whichever occurs first. Prior to the effective date of retirement, the supplemental member may choose to be paid his or her retirement allowance under an optional form of payment provided in section 31(1)(a). For the purposes of this election, the provisions of section 31(1)(a) are modified to reflect the temporary nature of a supplemental early retirement allowance.

(2) The amount of the supplemental member's temporary straight life supplemental early retirement allowance is equal to the difference between (i) 2.0% of his or her supplemental final average compensation multiplied by his or her covered service plus 1.5% of the supplemental member's final average compensation multiplied by the excess, if any, of his or her credited service over his or her covered service; and (ii) the amount of retirement allowance paid under section 20.

38.47a Report.

Sec. 47a. The retirement board shall report to the house and senate appropriations committees not later than June 30, 2003 on the cost of transferring persons to noncovered positions if they were in covered positions with corrections centers before their positions were terminated due to the closures of the corrections centers between August 1, 1999 and August 1, 2000, if the persons continue in noncovered positions until retiring as supplemental members under sections 46 and 47 or transferred to covered positions but whose last 3 years of credited service are a combination of covered and uncovered service due to the termination of the covered positions by the closure of a corrections center.

This act is ordered to take immediate effect.

Approved December 30, 2002.

Filed with Secretary of State December 30, 2002.

[No. 744]

(SB 1203)

AN ACT to amend 1893 PA 206, entitled "An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal acts and parts of acts," by amending section 27 (MCL 211.27), as amended by 1994 PA 415.

The People of the State of Michigan enact:

211.27 "True cash value" defined; considerations in determining value; indicating exclusions from true cash value on assessment roll; subsection (2) applicable only to residential property; repairs considered normal maintenance; exclusions from real estate sales data; "present economic income" defined; applicability of subsection (4); value of transferred property; "purchase price" defined.

Sec. 27. (1) As used in this act, "true cash value" means the usual selling price at the place where the property to which the term is applied is at the time of assessment, being

the price that could be obtained for the property at private sale, and not at auction sale except as otherwise provided in this section, or at forced sale. The usual selling price may include sales at public auction held by a nongovernmental agency or person if those sales have become a common method of acquisition in the jurisdiction for the class of property being valued. The usual selling price does not include sales at public auction if the sale is part of a liquidation of the seller's assets in a bankruptcy proceeding or if the seller is unable to use common marketing techniques to obtain the usual selling price for the property. A sale or other disposition by this state or an agency or political subdivision of this state of land acquired for delinquent taxes or an appraisal made in connection with the sale or other disposition or the value attributed to the property of regulated public utilities by a governmental regulatory agency for rate-making purposes is not controlling evidence of true cash value for assessment purposes. In determining the true cash value, the assessor shall also consider the advantages and disadvantages of location; quality of soil; zoning; existing use; present economic income of structures, including farm structures; present economic income of land if the land is being farmed or otherwise put to income producing use; quantity and value of standing timber; water power and privileges; and mines, minerals, quarries, or other valuable deposits known to be available in the land and their value. In determining the true cash value of personal property owned by an electric utility cooperative, the assessor shall consider the number of kilowatt hours of electricity sold per mile of distribution line compared to the average number of kilowatt hours of electricity sold per mile of distribution line for all electric utilities.

(2) The assessor shall not consider the increase in true cash value that is a result of expenditures for normal repairs, replacement, and maintenance in determining the true cash value of property for assessment purposes until the property is sold. For the purpose of implementing this subsection, the assessor shall not increase the construction quality classification or reduce the effective age for depreciation purposes, except if the appraisal of the property was erroneous before nonconsideration of the normal repair, replacement, or maintenance, and shall not assign an economic condition factor to the property that differs from the economic condition factor assigned to similar properties as defined by appraisal procedures applied in the jurisdiction. The increase in value attributable to the items included in subdivisions (a) to (o) that is known to the assessor and excluded from true cash value shall be indicated on the assessment roll. This subsection applies only to residential property. The following repairs are considered normal maintenance if they are not part of a structural addition or completion:

- (a) Outside painting.
- (b) Repairing or replacing siding, roof, porches, steps, sidewalks, or drives.
- (c) Repainting, repairing, or replacing existing masonry.
- (d) Replacing awnings.
- (e) Adding or replacing gutters and downspouts.
- (f) Replacing storm windows or doors.
- (g) Insulating or weatherstripping.
- (h) Complete rewiring.
- (i) Replacing plumbing and light fixtures.
- (j) Replacing a furnace with a new furnace of the same type or replacing an oil or gas burner.
- (k) Repairing plaster, inside painting, or other redecorating.
- (l) New ceiling, wall, or floor surfacing.
- (m) Removing partitions to enlarge rooms.

(n) Replacing an automatic hot water heater.

(o) Replacing dated interior woodwork.

(3) A city or township assessor, a county equalization department, or the state tax commission before utilizing real estate sales data on real property purchases, including purchases by land contract, to determine assessments or in making sales ratio studies to assess property or equalize assessments shall exclude from the sales data the following amounts allowed by subdivisions (a), (b), and (c) to the extent that the amounts are included in the real property purchase price and are so identified in the real estate sales data or certified to the assessor as provided in subdivision (d):

(a) Amounts paid for obtaining financing of the purchase price of the property or the last conveyance of the property.

(b) Amounts attributable to personal property that were included in the purchase price of the property in the last conveyance of the property.

(c) Amounts paid for surveying the property pursuant to the last conveyance of the property. The legislature may require local units of government, including school districts, to submit reports of revenue lost under subdivisions (a) and (b) and this subdivision so that the state may reimburse those units for that lost revenue.

(d) The purchaser of real property, including a purchaser by land contract, may file with the assessor of the city or township in which the property is located 2 copies of the purchase agreement or of an affidavit that identifies the amount, if any, for each item listed in subdivisions (a) to (c). One copy shall be forwarded by the assessor to the county equalization department. The affidavit shall be prescribed by the state tax commission.

(4) As used in subsection (1), “present economic income” means for leased or rented property the ordinary, general, and usual economic return realized from the lease or rental of property negotiated under current, contemporary conditions between parties equally knowledgeable and familiar with real estate values. The actual income generated by the lease or rental of property is not the controlling indicator of its true cash value in all cases. This subsection does not apply to property subject to a lease entered into before January 1, 1984 for which the terms of the lease governing the rental rate or tax liability have not been renegotiated after December 31, 1983. This subsection does not apply to a nonprofit housing cooperative subject to regulatory agreements between the state or federal government entered into before January 1, 1984. As used in this subsection, “nonprofit cooperative housing corporation” means a nonprofit cooperative housing corporation that is engaged in providing housing services to its stockholders and members and that does not pay dividends or interest upon stock or membership investment but that does distribute all earnings to its stockholders or members.

(5) Beginning December 31, 1994, the purchase price paid in a transfer of property is not the presumptive true cash value of the property transferred. In determining the true cash value of transferred property, an assessing officer shall assess that property using the same valuation method used to value all other property of that same classification in the assessing jurisdiction. As used in this subsection, “purchase price” means the total consideration agreed to in an arms-length transaction and not at a forced sale paid by the purchaser of the property, stated in dollars, whether or not paid in dollars.

This act is ordered to take immediate effect.

Approved December 30, 2002.

Filed with Secretary of State December 30, 2002.

[No. 745]**(SB 1417)**

AN ACT to amend 1996 PA 376, entitled “An act to create and expand certain renaissance zones; to foster economic opportunities in this state; to facilitate economic development; to stimulate industrial, commercial, and residential improvements; to prevent physical and infrastructure deterioration of geographic areas in this state; to authorize expenditures; to provide exemptions and credits from certain taxes; to create certain obligations of this state and local governmental units; to require disclosure of certain transactions and gifts; to provide for appropriations; and to prescribe the powers and duties of certain state and local departments, agencies, and officials,” by amending section 12 (MCL 125.2692).

The People of the State of Michigan enact:

125.2692 Reimbursement to intermediate school districts, local school districts, community college districts, public libraries, and school aid fund.

Sec. 12. (1) This state shall reimburse intermediate school districts each year for all tax revenue lost as the result of the exemption of property under this act, based on the property's taxable value in that year, from taxes levied under section 625a of the revised school code, 1976 PA 451, MCL 380.625a; from taxes levied for area vocational-technical program operating purposes under section 681 of the revised school code, 1976 PA 451, MCL 380.681; and from taxes levied for special education operating purposes under section 1724a of the revised school code, 1976 PA 451, MCL 380.1724a.

(2) This state shall reimburse local school districts each year for all tax revenue lost as the result of the exemption of property under this act from taxes levied under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, based on the property's taxable value in that year.

(3) This state shall reimburse a community college district and a public library each year for all tax revenue lost as a result of the exemption of property under this act, based on the property's taxable value in that year, from taxes levied or collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

(4) Intermediate school districts, community college districts, and public libraries eligible for reimbursement under subsections (1) and (3) shall report to and on a date determined by the department of treasury all revenue lost for which reimbursement under subsections (1) and (3) is claimed. A local school district eligible for reimbursement under subsection (2) shall report each year on a date determined by the department of treasury all revenue lost for which reimbursement under subsection (2) is claimed.

(5) This state shall reimburse the school aid fund for all revenues lost as the result of the establishment of renaissance zones. Foundation allowances calculated under section 20 of the state school aid act of 1979, 1979 PA 94, MCL 388.1620, shall not be reduced as a result of lost revenues arising from this act.

This act is ordered to take immediate effect.

Approved December 30, 2002.

Filed with Secretary of State December 30, 2002.

[No. 746]**(HB 5705)**

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2002 and the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS
FOR FISCAL YEAR 2001-2002

Appropriations; various state departments; supplemental for year ending September 30, 2002.

Sec. 101. There is appropriated for the various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2002, from the following funds:

APPROPRIATION SUMMARY:

GROSS APPROPRIATION.....	\$	19,212,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION.....	\$	19,212,200
Federal revenues:		
Total federal revenues.....		9,000,000
Special revenue funds:		
Total local revenues		(800,000)
Total private revenues.....		0
Total other state restricted revenues.....		19,481,400
State general fund/general purpose	\$	(8,469,200)

Capital outlay.**Sec. 102. CAPITAL OUTLAY****(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION.....	\$	0
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION.....	\$	0
Total federal revenues.....		0
Total local revenues		0
Total private revenues.....		0
Total state restricted revenues.....		9,600,000
State general fund/general purpose	\$	(9,600,000)

(2) DEPARTMENT OF TRANSPORTATION**AERONAUTICS FUND: AIRPORT PROGRAMS**

Airport safety and protection plan.....	\$	0
GROSS APPROPRIATION.....	\$	0

For Fiscal Year
Ending Sept. 30,
2002

Appropriated from:

Special revenue funds:

Comprehensive transportation fund	\$	9,600,000
State general fund/general purpose	\$	(9,600,000)

Community colleges.

Sec. 103. COMMUNITY COLLEGES

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	(1,655,200)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	(1,655,200)
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total state restricted revenues		(1,655,200)
State general fund/general purpose	\$	0

(2) FINANCIAL AID

Postsecondary access student scholarship program	\$	(1,655,200)
GROSS APPROPRIATION	\$	(1,655,200)
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund		(1,655,200)
State general fund/general purpose	\$	0

Department of community health.

Sec. 104. DEPARTMENT OF COMMUNITY HEALTH

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	0
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	0
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		(800,000)
Total private revenues		0
Total other state restricted revenues		800,000
State general fund/general purpose	\$	0

(2) MEDICAL SERVICES

Wayne County medical program	\$	0
GROSS APPROPRIATION	\$	0
Appropriated from:		
Special revenue funds:		
Total local revenues		(800,000)
Total other state restricted revenues		800,000
State general fund/general purpose	\$	0

For Fiscal Year
Ending Sept. 30,
2002

Department of education.

Sec. 105. DEPARTMENT OF EDUCATION

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	1,130,800
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION.....	\$	1,130,800
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues.....		0
Total other state restricted revenues		0
State general fund/general purpose	\$	1,130,800

(2) GRANTS AND DISTRIBUTIONS

STATE PROGRAMS:

School breakfast programs	\$	1,130,800
GROSS APPROPRIATION.....	\$	1,130,800
Appropriated from:		
State general fund/general purpose	\$	1,130,800

Family independence agency.

Sec. 106. FAMILY INDEPENDENCE AGENCY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	9,000,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION.....	\$	9,000,000
Federal revenues:		
Total federal revenues		9,000,000
Special revenue funds:		
Total local revenues		0
Total private revenues.....		0
Total other state restricted revenues		0
State general fund/general purpose	\$	0

(2) PUBLIC ASSISTANCE

Homestead property tax credit for low-income families.....	\$	9,000,000
GROSS APPROPRIATION	\$	9,000,000
Appropriated from:		
Federal revenues:		
Total federal revenues		9,000,000
Special revenue funds:		
State general fund/general purpose	\$	0

Higher education.

Sec. 107. HIGHER EDUCATION

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	10,736,600
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	For Fiscal Year Ending Sept. 30, 2002
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	\$ 0
ADJUSTED GROSS APPROPRIATION.....	\$ 10,736,600
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues.....	0
Total other state restricted revenues.....	10,736,600
State general fund/general purpose	\$ 0
(2) GRANTS AND FINANCIAL AID	
Tuition grants.....	\$ 1,655,200
Michigan merit award program	9,081,400
GROSS APPROPRIATION.....	\$ <u>10,736,600</u>
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	10,736,600
State general fund/general purpose	\$ 0

PART 1A

LINE-ITEM APPROPRIATIONS
FOR FISCAL YEAR 2002-2003

Appropriations; various state departments; supplemental for year ending September 30, 2003.

Sec. 151. There is appropriated for the various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2003, from the following funds:

APPROPRIATION SUMMARY:

GROSS APPROPRIATION.....	\$ 117,767,235
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION.....	\$ 117,767,235
Federal revenues:	
Total federal revenues	52,335,100
Special revenue funds:	
Total local revenues	(6,100,000)
Total private revenues.....	0
Total other state restricted revenues.....	111,498,834
State general fund/general purpose	\$ (39,966,699)

Capital outlay.

Sec. 152. CAPITAL OUTLAY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.....	\$ 47,605,400
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For Fiscal Year
Ending Sept. 30,
2003

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION.....	\$	47,605,400
Total federal revenues.....		22,350,000
Total local revenues		0
Total private revenues.....		0
Total state restricted revenues.....		25,253,400
State general fund/general purpose	\$	2,000

**(2) STATE AGENCY, COMMUNITY COLLEGE, AND
UNIVERSITY PLANNING PROJECTS**

Alpena Community College - instructional addition/renovation project, for program and planning to be paid for from college revenues	\$	100
Bay de Noc Community College - Dickinson County facility, for program and planning to be paid for from college revenues.....		100
Delta College - allied health and nursing "F" wing renovations, for program and planning to be paid for from college revenues ...		100
Grand Rapids Community College - campus renovations, for program and planning to be paid for from college revenues.....		100
Jackson Community College - new downtown center renovation project, for program and planning to be paid for from college revenues		100
Kalamazoo Valley Community College - center for new media, for program and planning to be paid for from college revenues ...		100
Kellogg Community College - Roll building renovations, for program and planning to be paid for from college revenues		100
Lansing Community College - master plan phase I - technology facility, for program and planning to be paid for from college revenues		100
Muskegon Community College - library/technology center project, for program and planning to be paid for from college revenues ...		100
North Central Michigan College - university and science center, for program and planning to be paid for from college revenues ...		100
Schoolcraft College - technical service facility, for program and planning to be paid for from college revenues		100
Southwestern Michigan College - M-Tech center expansion/Wood building renovation, for program and planning to be paid for from college revenues.....		100
Washtenaw Community College - renovations and science laboratory upgrade, for program and planning to be paid for from college revenues		100
West Shore Community College - media center building, for program and planning to be paid for from college revenues.....		100
Central Michigan University - education building, for program and planning to be paid for from university revenues		100

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

For Fiscal Year
Ending Sept. 30,
2003

Eastern Michigan University - Pray-Harrold classroom building modernization project, for program and planning to be paid for from university revenues.....	\$	100
Grand Valley State University - library addition and remodeling - for program and planning to be paid for from university revenues .		100
University of Michigan - school of public health, for program and planning to be paid for from university revenues		100
Ferris State University - optometry building, for program and planning to be paid for from university revenues		100
Western Michigan University - Sangren hall/education building, for program and planning to be paid for from university revenues.....		100
GROSS APPROPRIATION	\$	2,000
Appropriated from:		
State general fund/general purpose	\$	2,000
(3) DEPARTMENT OF MILITARY AFFAIRS		
Lump sum projects:		
For department of military affairs remodeling and additions and special maintenance projects	\$	4,100,000
Lansing readiness center, for design and construction (total authorized cost \$19,000,000; federal share \$18,250,000; state armory construction fund share \$750,000)		19,000,000
GROSS APPROPRIATION	\$	23,100,000
Appropriated from:		
Federal revenues:		
DOD, department of the army, national guard bureau	\$	22,350,000
Armory construction fund.....		750,000
State general fund/general purpose	\$	0
(4) DEPARTMENT OF NATURAL RESOURCES		
(a) STATE PARKS		
State park infrastructure improvements	\$	5,200,000
GROSS APPROPRIATION	\$	5,200,000
Appropriated from:		
Special revenue funds:		
State park endowment fund		5,200,000
State general fund/general purpose	\$	0
(b) WATERWAYS BOATING PROGRAM		
Boating program, state boating access sites:		
Monroe County, Monroe, Bolles boating access site improvements (total project cost \$475,000, state share \$475,000).....	\$	475,000
Boating program, harbors and docks, state facilities:		
Mackinac Island, marina expansion (total project cost \$11,025,000, state share \$11,025,000)		(9,025,000)
Monroe County, Monroe, Bolles harbor, marina expansion and improvements (total project cost \$3,750,000, state share \$3,750,000)		3,750,000

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

For Fiscal Year
Ending Sept. 30,
2003

Boating program, harbors and docks, local facilities:	
Muskegon County, Muskegon, marina rehabilitation and upgrades (total project cost \$2,000,000, state share \$1,000,000).....	\$ 1,000,000
GROSS APPROPRIATION	\$ (3,800,000)
Appropriated from:	
Special revenue funds:	
Michigan state waterways fund	(3,800,000)
State general fund/general purpose	\$ 0
(5) MICHIGAN NATURAL RESOURCES TRUST FUND	
Natural resources trust fund projects	\$ 23,103,400

Michigan natural resources trust fund acquisition projects (by priority):

1. Tip of the Keweenaw acquisition - phase II, Keweenaw County (#02-187)
2. Acquire Houghmaster property, Alpena County (grant-in-aid to Alpena Township) (#02-128)
3. Acquisition of deeryards, Menominee and Dickinson counties (#02-201)
4. Addition to Dolph nature area, Washtenaw County (grant-in-aid to city of Ann Arbor) (#02-113)
5. Berberian property acquisition, Oakland County (grant-in-aid to city of Southfield) (#02-148)
6. Dowagiac River access acquisition, Cass County (#02-178)
7. Boardman nature education reserve expansion, Grand Traverse County (grant-in-aid to Garfield Township) (#02-220)
8. Oakland Township Lost Lake park acquisition, Oakland County (grant-in-aid to Oakland Township) (#02-013)
9. Resort bluffs, Emmet County (grant-in-aid to Emmet County) (#02-026)
10. Kamehameha trust land acquisition - phase I, Chippewa, Luce, Schoolcraft, Alger, Marquette, Baraga, Houghton, Ontonagon, and Gogebic counties (#02-219)
11. Denison tract acquisition - phase I, Allegan County (#02-218)
12. Acquisition on Mackinac Island, Mackinac County (grant-in-aid to Mackinac Island park commission) (#02-204)
13. Riverside park acquisition, Osceola County (grant-in-aid to city of Evart) (#02-028)
14. Elk view acquisition, Otsego County (grant-in-aid to city of Gaylord) (#02-083)
15. Mecosta Township park acquisition, Mecosta County (grant-in-aid to Mecosta Township) (#02-212)
16. Township park expansion, Saginaw County (grant-in-aid to Kochville Township) (#02-019)
17. Flat River trail acquisitions, Montcalm County (grant-in-aid to city of Greenville) (#02-133)

GROSS APPROPRIATION	\$ 23,103,400
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For Fiscal Year
Ending Sept. 30,
2003

Appropriated from:

Special revenue funds:

Michigan natural resources trust fund	\$	23,103,400
State general fund/general purpose	\$	0

Community colleges.

Sec. 153. COMMUNITY COLLEGES

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	2,157,183
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	2,157,183
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total state restricted revenues		1,595,982
State general fund/general purpose	\$	561,201

(2) GRANTS

Renaissance zone tax reimbursement funding	\$	561,200
At-risk student success program		18,461
GROSS APPROPRIATION	\$	579,661

Appropriated from:

Special revenue funds:

Michigan merit award trust fund	\$	18,461
State general fund/general purpose	\$	561,200

(3) OPERATIONS

Alpena Community College	\$	26,560
Bay de Noc Community College		25,650
Delta College		74,069
Glen Oaks Community College		12,428
Gogebic Community College		21,826
Grand Rapids Community College		93,167
Henry Ford Community College		113,542
Jackson Community College		62,852
Kalamazoo Valley Community College		64,130
Kellogg Community College		50,385
Kirtland Community College		15,292
Lake Michigan College		27,117
Lansing Community College		161,115
Macomb Community College		171,905
Mid Michigan Community College		22,932
Monroe County Community College		22,311
Montcalm Community College		16,138
C. S. Mott Community College		81,457
Muskegon Community College		46,356
North Central Michigan College		15,701
Northwestern Michigan College		47,301
Oakland Community College		108,440

	For Fiscal Year Ending Sept. 30, 2003
St. Clair County Community College	\$ 36,323
Schoolcraft College	63,644
Southwestern Michigan College.....	34,164
Washtenaw Community College.....	64,686
Wayne County Community College	86,119
West Shore Community College.....	11,912
GROSS APPROPRIATION.....	\$ 1,577,522
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	1,577,521
State general fund/general purpose	\$ 1

Department of community health.

Sec. 154. DEPARTMENT OF COMMUNITY HEALTH

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.....	\$ 2,985,100
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION.....	\$ 2,985,100
Federal revenues:	
Total federal revenues	2,985,100
Special revenue funds:	
Total local revenues	(6,100,000)
Total private revenues.....	0
Total other state restricted revenues.....	30,100,000
State general fund/general purpose	\$ (24,000,000)

(2) COMMUNITY LIVING, CHILDREN, AND FAMILIES

Local MCH services	\$ 2,985,100
GROSS APPROPRIATION.....	\$ 2,985,100
Appropriated from:	
Federal revenues:	
Total federal revenues	2,985,100
Special revenue funds:	
State general fund/general purpose	\$ 0

(3) MEDICAL SERVICES

State and local medical programs.....	\$ 0
GROSS APPROPRIATION.....	\$ 0
Appropriated from:	
Special revenue funds:	
Total local revenues	(6,100,000)
Total other state restricted revenues.....	30,100,000
State general fund/general purpose	\$ (24,000,000)

Department of education.

Sec. 155. DEPARTMENT OF EDUCATION

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.....	\$ 1,500,000
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For Fiscal Year
Ending Sept. 30,
2003

Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	\$ 0
ADJUSTED GROSS APPROPRIATION.....	\$ 1,500,000
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues.....	0
Total other state restricted revenues.....	0
State general fund/general purpose	\$ 1,500,000

(2) GRANTS AND DISTRIBUTIONS

STATE PROGRAMS:

School breakfast programs	\$ 1,500,000
GROSS APPROPRIATION.....	\$ 1,500,000
Appropriated from:	
State general fund/general purpose	\$ 1,500,000

Department of environmental quality.

Sec. 156. DEPARTMENT OF ENVIRONMENTAL QUALITY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.....	\$ 1,900,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION.....	\$ 1,900,000
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues.....	0
Total other state restricted revenues.....	1,900,000
State general fund/general purpose	\$ 0

(2) EXECUTIVE

Office of the Great Lakes.....	\$ 400,000
GROSS APPROPRIATION.....	\$ 400,000
Appropriated from:	
Special revenue funds:	
Great Lakes protection fund	400,000
State general fund/general purpose	\$ 0

(3) ENVIRONMENTAL ASSISTANCE DIVISION

Retired engineers technical assistance program	\$ 1,500,000
GROSS APPROPRIATION.....	\$ 1,500,000
Appropriated from:	
Special revenue funds:	
Retired engineers technical assistance fund.....	1,500,000
State general fund/general purpose	\$ 0

Family independence agency.

Sec. 156a. FAMILY INDEPENDENCE AGENCY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.....	\$ 0
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	For Fiscal Year Ending Sept. 30, 2003
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	\$ 0
ADJUSTED GROSS APPROPRIATION.....	\$ 0
Federal revenues:	
Total federal revenues.....	27,000,000
Special revenue funds:	
Total private revenues.....	0
Total local revenues	0
Total other state restricted revenues.....	0
State general fund/general purpose	\$ (27,000,000)
(2) CHILD AND FAMILY SERVICES	
Foster care payments	\$ 0
Wayne County foster care payments.....	0
GROSS APPROPRIATION	\$ 0
Appropriated from:	
Federal revenues:	
Total federal revenues.....	\$ 7,000,000
State general fund/general purpose	\$ (7,000,000)
(3) JUVENILE JUSTICE SERVICES	
Child care fund.....	\$ 0
GROSS APPROPRIATION	\$ 0
Appropriated from:	
Federal revenues:	
Total federal revenues.....	20,000,000
State general fund/general purpose	\$ (20,000,000)
Higher education.	
Sec. 157. HIGHER EDUCATION	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION.....	\$ 13,010,952
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION.....	\$ 13,010,952
Federal revenues:	
Total federal revenues.....	0
Special revenue funds:	
Total local revenues	0
Total private revenues.....	0
Total other state restricted revenues.....	9,060,952
State general fund/general purpose	\$ 3,950,000
(2) MICHIGAN STATE UNIVERSITY	
Animal health diagnostic lab	\$ 700,000
Agriculture experiment station	1,750,000
Michigan State University extension.....	1,500,000
GROSS APPROPRIATION	\$ 3,950,000

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

	For Fiscal Year Ending Sept. 30, 2003
Appropriated from:	
State general fund/general purpose	\$ 3,950,000
(3) CENTRAL MICHIGAN UNIVERSITY	
Operations	\$ 450,019
GROSS APPROPRIATION	\$ <u>450,019</u>
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	450,019
State general fund/general purpose	\$ 0
(4) EASTERN MICHIGAN UNIVERSITY	
Operations	\$ 438,186
GROSS APPROPRIATION	\$ <u>438,186</u>
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	438,186
State general fund/general purpose	\$ 0
(5) FERRIS STATE UNIVERSITY	
Operations	\$ 277,602
GROSS APPROPRIATION	\$ <u>277,602</u>
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	277,602
State general fund/general purpose	\$ 0
(6) GRAND VALLEY STATE UNIVERSITY	
Operations	\$ 300,477
GROSS APPROPRIATION	\$ <u>300,477</u>
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	300,477
State general fund/general purpose	\$ 0
(7) LAKE SUPERIOR STATE UNIVERSITY	
Operations	\$ 71,344
GROSS APPROPRIATION	\$ <u>71,344</u>
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	71,344
State general fund/general purpose	\$ 0
(8) MICHIGAN STATE UNIVERSITY	
Operations	\$ 1,629,912
GROSS APPROPRIATION	\$ <u>1,629,912</u>
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	1,629,912
State general fund/general purpose	\$ 0
(9) MICHIGAN TECHNOLOGICAL UNIVERSITY	
Operations	\$ 276,208
GROSS APPROPRIATION	\$ <u>276,208</u>
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	276,208
State general fund/general purpose	\$ 0

	For Fiscal Year Ending Sept. 30, 2003
(10) NORTHERN MICHIGAN UNIVERSITY	
Operations.....	\$ 260,065
GROSS APPROPRIATION.....	\$ 260,065
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	260,065
State general fund/general purpose	\$ 0
(11) OAKLAND UNIVERSITY	
Operations.....	\$ 261,924
GROSS APPROPRIATION.....	\$ 261,924
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	261,924
State general fund/general purpose	\$ 0
(12) SAGINAW VALLEY STATE UNIVERSITY	
Operations.....	\$ 136,967
GROSS APPROPRIATION.....	\$ 136,967
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	136,967
State general fund/general purpose	\$ 0
(13) UNIVERSITY OF MICHIGAN - ANN ARBOR	
Operations.....	\$ 1,817,814
GROSS APPROPRIATION.....	\$ 1,817,814
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	1,817,814
State general fund/general purpose	\$ 0
(14) UNIVERSITY OF MICHIGAN - DEARBORN	
Operations.....	\$ 139,967
GROSS APPROPRIATION.....	\$ 139,967
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	139,967
State general fund/general purpose	\$ 0
(15) UNIVERSITY OF MICHIGAN - FLINT	
Operations.....	\$ 120,341
GROSS APPROPRIATION.....	\$ 120,341
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	\$ 120,341
State general fund/general purpose	\$ 0
(16) WAYNE STATE UNIVERSITY	
Operations.....	\$ 1,268,224
GROSS APPROPRIATION.....	\$ 1,268,224
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	1,268,224
State general fund/general purpose	\$ 0

For Fiscal Year
Ending Sept. 30,
2003

(17) WESTERN MICHIGAN UNIVERSITY

Operations.....	\$	628,386
GROSS APPROPRIATION.....	\$	<u>628,386</u>

Appropriated from:

Special revenue funds:

Michigan merit award trust fund.....		628,386
State general fund/general purpose	\$	0

(18) STATE AND REGIONAL PROGRAMS

Agricultural experiment station	\$	184,244
Cooperative extension service		158,913
Japan center for Michigan universities.....		1,527
Higher education database modernization and conversion.....		<u>1,250</u>
GROSS APPROPRIATION.....	\$	345,934

Appropriated from:

Special revenue funds:

Michigan merit award trust fund.....		345,934
State general fund/general purpose	\$	0

(19) MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAM

Select student supportive services.....	\$	10,867
Michigan college/university partnership program.....		3,260
Morris Hood, Jr. educator development program		<u>826</u>
GROSS APPROPRIATION.....	\$	14,953

Appropriated from:

Special revenue funds:

Michigan merit award trust fund.....		14,953
State general fund/general purpose	\$	0

(20) GRANTS AND FINANCIAL AID

State competitive scholarships.....	\$	165,273
Tuition grants.....		330,501
Michigan work-study program		40,079
Part-time independent student program.....		14,515
Grant for Michigan resident dental graduates		25,262
Grant for general degree graduates.....		30,921
Grant for allied health graduates.....		4,676
Michigan education opportunity grants.....		<u>11,402</u>
GROSS APPROPRIATION.....	\$	622,629

Appropriated from:

Special revenue funds:

Michigan merit award trust fund.....		622,629
State general fund/general purpose	\$	0

Department of History, Arts, and Libraries.

Sec. 158. DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.....	\$	338,500
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For Fiscal Year
Ending Sept. 30,
2003

Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	\$ 0
ADJUSTED GROSS APPROPRIATION.....	\$ 338,500
Federal revenues:	
Total federal revenues.....	0
Special revenue funds:	
Total local revenues	0
Total private revenues.....	0
Total other state restricted revenues.....	0
State general fund/general purpose	\$ 338,500
(2) LIBRARY OF MICHIGAN	
Renaissance zone reimbursement.....	\$ 338,500
GROSS APPROPRIATION.....	\$ 338,500
Appropriated from:	
State general fund/general purpose	\$ 338,500

Judiciary.

Sec. 158a. JUDICIARY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.....	\$ (2,278,300)
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION.....	\$ (2,278,300)
Federal revenues:	
Total federal revenues.....	0
Special revenue funds:	
Total local revenues	0
Total private revenues.....	0
Total other state restricted revenues.....	0
State general fund/general purpose	\$ (2,278,300)
(2) EARLY RETIREMENT AND BUDGETARY SAVINGS	
Budgetary savings.....	\$ (2,278,300)
GROSS APPROPRIATION.....	\$ (2,278,300)
Appropriated from:	
State general fund/general purpose	\$ (2,278,300)

Legislature.

Sec. 158b. LEGISLATURE

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.....	\$ (1,075,500)
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION.....	\$ (1,075,500)
Federal revenues:	
Total federal revenues.....	0
Special revenue funds:	
Total local revenues	0
Total private revenues.....	0

	For Fiscal Year Ending Sept. 30, 2003
Total other state restricted revenues	\$ 0
State general fund/general purpose	\$ (1,075,500)
(2) LEGISLATURE	
Budgetary savings	\$ (2,575,500)
House of representatives	1,500,000
GROSS APPROPRIATION	\$ (1,075,500)
Appropriated from:	
State general fund/general purpose	\$ (1,075,500)

Department of military and veterans affairs.

Sec. 159. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$ 186,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 186,000
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	\$ 186,000

(2) HEADQUARTERS AND ARMORIES

Civil air patrol	\$ 186,000
GROSS APPROPRIATION	\$ 186,000
Appropriated from:	
State general fund/general purpose	\$ 186,000

Department of natural resources.

Sec. 161. DEPARTMENT OF NATURAL RESOURCES

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$ 1,897,600
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 1,897,600
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	1,897,600
State general fund/general purpose	\$ 0

(2) PAYMENTS IN LIEU OF TAXES

Purchased lands taxes	\$ 1,897,600
GROSS APPROPRIATION	\$ 1,897,600

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

For Fiscal Year
Ending Sept. 30,
2003

Appropriated from:	
Special revenue funds:	
Environmental protection fund	\$ 1,897,600
State general fund/general purpose	\$ 0

Department of transportation.

Sec. 162. DEPARTMENT OF TRANSPORTATION

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$ 1,690,900
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 1,690,900
Total federal revenues	0
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	1,690,900
State general fund/general purpose	\$ 0

(2) EXECUTIVE DIRECTION

Asset management council	\$ 1,690,900
GROSS APPROPRIATION	\$ 1,690,900

Appropriated from:	
Special revenue funds:	
Michigan transportation fund	1,690,900
State general fund/general purpose	\$ 0

Department of treasury.

Sec. 163. DEPARTMENT OF TREASURY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$ 47,849,400
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 47,849,400
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	40,000,000
State general fund/general purpose	\$ 7,849,400

(2) DEBT SERVICE

Quality of life bond	\$ 40,000,000
GROSS APPROPRIATION	\$ 40,000,000

Appropriated from:	
Special revenue funds:	
Cleanup and redevelopment fund	30,000,000
Environmental response fund	10,000,000
State general fund/general purpose	\$ 0

	For Fiscal Year Ending Sept. 30, 2003
(3) GRANTS	
Senior citizen cooperative housing tax exemption program.....	\$ 1,849,400
Qualified agricultural loan payments	6,000,000
GROSS APPROPRIATION.....	\$ 7,849,400
Appropriated from:	
Special revenue funds:	
State general fund/general purpose	\$ 7,849,400

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2001-2002

GENERAL SECTIONS

Total state spending; payments to local units of government.

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending under part 1 for the fiscal year ending September 30, 2002 is \$11,012,200.00 and state appropriations paid to units of local government are \$800,000.00.

COMMUNITY HEALTH

Wayne County medical program	\$ 800,000
Total	\$ 800,000

Sec. 202. The appropriations made and expenditures authorized under this part and the departments, commissions, boards, offices, and programs for which appropriations are made under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

CAPITAL OUTLAY

Airport construction and improvement.

Sec. 251. (1) From federal-state-local project appropriations in fiscal year 2001-2002 for the purpose of assisting political entities and subdivisions of this state in the construction and improvement of publicly used airports and landing fields within this state, the department of transportation may permit the award of contracts on behalf of units of local government for the authorized locations not to exceed the indicated amounts, of which the state allocated portion shall not exceed the amount appropriated in fiscal year 2001-2002.

(2) Political entities and subdivisions shall provide not less than 5% of the cost of any project under this section. State money shall not be allocated until local money is allocated, and except as provided in subsection (4), state money for any 1 project shall not exceed 1/3 of the total appropriation from state funds for airport improvement programs.

(3) The Michigan aeronautics commission may take those steps necessary to match federal money available for airport construction and improvement within this state and to meet the matching requirements of the federal government. Whether acting alone or jointly with another political subdivision or public agency or with this state, a political subdivision or public agency of this state shall not submit to any agency of the federal government a project application for airport planning or development unless it is authorized in this act and the project application is approved by the governing body of each political subdivision or public agency making the application, and by the Michigan aeronautics commission.

(4) The department of transportation shall notify the state budget director if additional federal aeronautics funds are anticipated beyond those appropriated in fiscal year 2001-2002. In the event that additional federal funds are available, the state budget director shall recommend to the legislature an appropriation of state and local funds necessary to meet any federal matching requirements.

(5) From appropriations in fiscal year 2001-2002 for airport improvement programs, \$20,000,000.00 of comprehensive transportation fund and state general fund appropriations shall be used as state resources for state-funded components of the comprehensive Northwest airlines midfield terminal project, and \$1,000,000.00 of the state general fund shall be used for state-funded components of projects at Willow Run airport. The allocation of comprehensive transportation fund and state general fund money is subject to audit by the auditor general.

(6) From the appropriations for airport improvement programs, no funds shall be allocated for any runway extensions, taxiway extensions, or apron extensions at the Detroit-Willow Run airport. Further, it is the intent of the legislature that no state funds shall be expended to improve or repair the airport where the purpose of the improvement or repair is to expand the usage of the airport including, but not limited to, anything approximating a tradeport as that term was defined in former 1994 PA 325.

CONSUMER AND INDUSTRY SERVICES

Bureau of worker's and unemployment compensation line item appropriations; reallocation of federal revenues and contingent fund.

Sec. 301. From the appropriations in section 107 of 2002 PA 530, the state budget director is authorized to reallocate the federal revenues and contingent fund, penalty and interest account negative appropriation to the following bureau of worker's and unemployment compensation line item appropriations consistent with contingent revenues actually available in those line items:

- (a) Unemployment programs.
- (b) Advocacy assistance program.
- (c) Special audit and collections program.
- (d) Training program for agency staff.
- (e) Expanded fraud control program.

DEPARTMENT OF TRANSPORTATION

Rail infrastructure loan program.

Sec. 501. The rail infrastructure loan program shall provide noninterest-bearing loans for rail infrastructure improvements. The department shall evaluate loan applications

according to the relative merit of the project in conjunction with program goals. The transportation commission shall approve the loans. The loans shall fund not less than 90% of the rail portion of project costs, and the loan repayment period shall not exceed 10 years. Local governments, railroads, and current or potential users of freight railroad services are eligible applicants. At the end of the fiscal year 2001-2002, \$3,200,000.00 from the rail infrastructure loan program reserved fund balance shall revert to the unreserved balance of the comprehensive transportation fund, and any remaining unexpended funds shall remain in the rail infrastructure loan program and shall be available to be allocated for the purposes of the program in the succeeding fiscal year. Money that is received by this state as repayment for rail infrastructure loans made pursuant to this program shall remain within the rail infrastructure loan program and shall be allocated for the purposes of the program. The state's total contribution to the rail infrastructure loan program shall not exceed \$15,000,000.00.

Collection of transportation related revenues; billings from department of state and department of treasury.

Sec. 502. The department of transportation is authorized to receive billings from the department of state and the department of treasury for their documented costs in the collection of transportation related revenues, and to make payment from the Michigan transportation fund up to an amount not to exceed \$40,000,000.00 from the department of state, and not to exceed \$8,000,000.00 from the department of treasury, based on allowable expenditures and subject to verification by the department of transportation. The billings from the department of state shall be in addition to the interdepartmental grant appropriations from the Michigan transportation fund in 2001 PA 83.

PART 2A

PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2002-2003

GENERAL SECTIONS

Total state spending; payments to local units of government.

Sec. 1201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending under part 1A for the fiscal year ending September 30, 2003 is \$71,532,135.00 and state appropriations paid to units of local government are \$20,989,083.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

CAPITAL OUTLAY

Natural resources trust fund grant-in-aid acquisition projects	\$	7,646,400
Acquire Houghmaster property, Alpena County (grant-in-aid to Alpena Township) (#02-128)		
Addition to Dolph nature area, Washtenaw County (grant-in-aid to city of Ann Arbor) (#02-113)		
Berberian property acquisition, Oakland County (grant-in-aid to city of Southfield) (#02-148)		
Boardman nature education reserve expansion, Grand Traverse County (grant-in-aid to Garfield Township) (#02-220)		
Oakland Township Lost Lake park acquisition, Oakland County (grant-in-aid to Oakland Township) (#02-013)		

Resort bluffs, Emmet County (grant-in-aid to Emmet County) (#02-026)		
Riverside park acquisition, Osceola County (grant-in-aid to city of Evart) (#02-028)		
Elk view acquisition, Otsego County (grant-in-aid to city of Gaylord) (#02-083)		
Mecosta Township park acquisition, Mecosta County (grant-in-aid to Mecosta Township) (#02-212)		
Township park expansion, Saginaw County (grant-in-aid to Kochville Township) (#02-019)		
Flat River trail acquisitions, Montcalm County (grant-in-aid to city of Greenville) (#02-133)		
Boating programs, harbors and docks, local facilities: Muskegon County, Muskegon, marina rehabilitation and upgrades.....		1,000,000
Subtotal	\$	8,646,400
COMMUNITY COLLEGES		
Community college operations	\$	1,595,983
Renaissance zone tax reimbursement funding.....		561,200
Subtotal	\$	2,157,183
COMMUNITY HEALTH		
MIFamily plan.....	\$	6,100,000
Subtotal	\$	6,100,000
HISTORY, ARTS, AND LIBRARIES		
Renaissance zone reimbursement.....	\$	338,500
Subtotal	\$	338,500
NATURAL RESOURCES		
Purchased lands taxes	\$	1,897,600
Subtotal	\$	1,897,600
TREASURY		
Senior citizen cooperative housing tax exemption program.....	\$	1,849,400
Subtotal	\$	1,849,400
TOTAL	\$	20,989,083

Appropriations and expenditures subject to §§ 18.1101 to 18.1594.

Sec. 1202. The appropriations made and expenditures authorized under this part and the departments, commissions, boards, offices, and programs for which appropriations are made under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

CAPITAL OUTLAY

Mackinac Island marina expansion; cancellation of construction authorization.

Sec. 1251. The construction authorization for Mackinac Island marina expansion appropriated in 2002 PA 518 is hereby canceled. Any remaining project balances shall revert to the fund from which originally appropriated.

Administration of natural resources trust fund grants; agreements.

Sec. 1252. The department of natural resources shall require local units of government to enter into agreements with the department for the purpose of administering the natural resources trust fund grants identified in part 1A. Among other provisions, the agreements shall require that grant recipients agree to dedicate to public outdoor recreation uses in perpetuity the land acquired or developed; to replace lands converted or lost to other than public outdoor recreation use; and for parcels acquired that are over 5 or more acres in size, to provide the state with a nonparticipating 1/6 minimum royalty interest in any acquired minerals that are retained by the grant recipient. The agreements shall also provide that the full payments of grants can be made only after proof of acquisition, or completion of the development project, is submitted by the grant recipient and all costs are verified by the department of natural resources.

Natural resources trust fund balances; reversion.

Sec. 1253. Any unobligated balance in any natural resources trust fund appropriation made under part 1A shall not revert to the funds from which appropriated at the close of the fiscal year, but shall continue until the purpose for which it was appropriated is completed for a period not to exceed 3 fiscal years. The unexpended balance of any natural resources trust fund appropriation made in part 1A remaining after the purpose for which it was appropriated is completed shall revert to the Michigan natural resources trust fund and be made available for appropriation.

Programming and schematic planning documents.

Sec. 1254. The appropriation for planning projects authorized in part 1A provides authorization to complete programming and schematic planning documents. These projects will not receive construction authorization unless there is sufficient bonding capacity available under the state building authority’s statutory bond capacity limit.

West Michigan center for manufacturing research project at Kellogg community college; components.

Sec. 1255. The west Michigan center for manufacturing research project at Kellogg Community College, authorized for planning in 2000 PA 291 has been separated into 2 distinct components. Legislative action authorizing planning and construction for the first component, the career development/science building renovations, was approved in 2002 PA 530. The second component, the Roll building renovation, is hereby authorized for planning.

COMMUNITY COLLEGES

At-risk student success program.

Sec. 1275. The appropriations in part 1A for the at-risk student success program shall be allocated as follows:

Alpena Community College	\$	428
Bay de Noc Community College.....		466
Delta College		546
Glen Oaks Community College		693
Gogebic Community College.....		391
Grand Rapids Community College.....		445

Henry Ford Community College	\$	819
Jackson Community College.....		566
Kalamazoo Valley Community College.....		580
Kellogg Community College		784
Kirtland Community College.....		847
Lake Michigan College		934
Lansing Community College		814
Macomb Community College.....		462
Mid Michigan Community College		695
Monroe County Community College.....		498
Montcalm Community College		347
C. S. Mott Community College		556
Muskegon Community College.....		1,050
North Central Michigan College.....		784
Northwestern Michigan College		645
Oakland Community College		787
St. Clair County Community College		443
Schoolcraft College		762
Southwestern Michigan College.....		904
Washtenaw Community College.....		852
Wayne County Community College		712
West Shore Community College.....		653

DEPARTMENT OF COMMUNITY HEALTH

Recipients of children’s special health care services; enrollment in HMOs voluntary.

Sec. 1303. Implementation and contracting for managed care by the department of community health through HMOs are subject to the condition that enrollment of recipients of children’s special health care services in HMOs shall be voluntary during fiscal year 2002-03.

Sec. 1307. From the funds appropriated from the federal maternal and child health block grant, \$450,000.00 shall be allocated if additional block grant funds are available for the statewide fetal infant mortality review network.

HMO managed care services; assurances of net worth and financial solvency.

Sec. 1309. Prior to contracting with an HMO for managed care services that did not have a contract with the department of community health before October 1, 2002, the department of community health shall receive assurances from the office of financial and insurance services that the HMO meets the net worth and financial solvency requirements contained in chapter 35 of the insurance code, 1956 PA 218, MCL 500.3501 to 500.3580.

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

Prior authorization of certain services; prohibition.

Sec. 1310. The department of community health shall prohibit HMOs from requiring prior authorization of their contracted providers for any EPSDT screening and diagnosis service, for any MSS/ISS screening referral, or for up to 3 MSS/ISS service visits.

Nursing home rates.

Sec. 1311. All nursing home rates, class I and class III, must have their respective fiscal year rate set 30 days prior to the beginning of their rate year. Rates may take into account the most recent cost report prepared and certified by the preparer, provider corporate owner or representative as being true and accurate, and filed timely, within 5 months of the fiscal year end in accordance with Medicaid policy. If the audited version of the last report is available, it shall be used. Any rate factors based on the filed cost report may be retroactively adjusted upon completion of the audit of that cost report.

Long-term care working group; plan.

Sec. 1312. The long-term care working group established in section 1657 of 1998 PA 336 shall continue to exist to review the allocation of the long-term care innovations grant funding and to monitor the implementation of the demonstration projects being funded. The department of community health shall not implement a long-term care plan until the expiration of 24 days during which at least 1 house of the legislature convenes after the long-term care working group has submitted the written long-term care plan to the senate majority leader, the speaker of the house, the senate and house appropriations subcommittees on community health, and the state budget director.

Sec. 1314. The department shall allocate up to \$200,000.00 to the Michigan association of centers for independent living for the accessing community-based support project, if additional funds become available for this purpose.

MiChoice home and community-based services waiver programs; proposed changes.

Sec. 1315. Any proposed changes by the department to the MiChoice home and community-based services waiver program screening process shall be provided to the members of the house and senate appropriations subcommittees on community health at least 30 days prior to implementation of the proposed changes.

Non-medicaid substance abuse services; Salvation Army.

Sec. 1316. The department shall contract directly with the Salvation Army harbor light program and Salvation Army turning point of west Michigan to provide non-Medicaid substance abuse services at not less than the amount contracted for in fiscal year 2001-2002.

Pharmaceutical best practice initiative; exemption from prior authorization requirements.

Sec. 1317. Recipients of children's special health care services shall be exempt from the prior authorization requirements for prescription drugs in the department of community health's pharmaceutical best practice initiative.

Outpatient drugs; quarterly rebates from pharmaceutical manufacturers.

Sec. 1318. (1) The department shall use procedures and rebates amounts specified under section 1927 of title XIX, 42 U.S.C. 1396r-8, to secure quarterly rebates from pharmaceutical manufacturers for outpatient drugs dispensed to participants in the state medical program and EPIC.