

The People of the State of Michigan enact:

206.110 Taxable income of individuals, estates, or trusts; allocation; rents and royalties.

Sec. 110. (1) For a resident individual, estate, or trust, all taxable income from any source whatsoever, except that attributable to another state under sections 111 to 115 and subject to section 255, is allocated to this state.

(2) For a nonresident individual, estate, or trust, all taxable income is allocated to this state to the extent it is earned, received, or acquired in 1 or more of the following ways:

(a) For the rendition of personal services performed in this state.

(b) As a distributive share of the net profits of a business, profession, enterprise, undertaking, or other activity as the result of work done, services rendered, or other business activities conducted in this state, except as allocated to another state pursuant to sections 111 to 114 and subject to section 256.

(c) For tax years beginning after 1996, as a prize won by the taxpayer under the McCauley-Traxler-Law-Bowman-McNeely lottery act, 1972 PA 239, MCL 432.1 to 432.47.

(d) As winnings that are proceeds of a wagering transaction paid on or after October 1, 2003 by a casino or as a payoff price on a winning ticket that is the result of pari-mutuel wagering at a licensed race meeting if the casino or licensed race meeting is located in this state. As used in this section:

(i) "Casino" means a casino regulated by this state under the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.201 to 432.226, or a building on Native American land or land held in trust by the United States for a federally recognized Indian tribe on which gaming is conducted under the Indian gaming regulatory act, Public Law 100-497, 102 Stat. 2467.

(ii) "Pari-mutuel wagering" and "licensed race meeting" mean those terms as used in the horse racing law of 1995, 1995 PA 279, MCL 431.301 to 431.336.

(3) The respective shares of a nonresident estate or trust and its beneficiaries, including, solely for purposes of allocation, resident and nonresident beneficiaries, in the income attributable to this state shall be in proportion to the respective shares of distributable net income of the beneficiaries under the internal revenue code. If the estate or trust has no distributable net income for the tax year, the share of each beneficiary in the income attributable to this state shall be in proportion to his or her share of the estate or trust income for that year, under local law or the terms of the instrument, that is required to be distributed currently and other amounts of the income distributed in the year. Any balance of the income attributable to this state shall be allocated to the estate or trust.

(4) A nonresident estate or trust is allowed the credit provided in section 256, except that the limitation shall be computed by reference to the taxable income of the estate or trust.

(5) Rents and royalties from real or tangible personal property, capital gains, interest, dividends, or patent or copyright royalties, to the extent that they constitute a nonbusiness income, shall be allocated as provided in sections 111 to 114.

This act is ordered to take immediate effect.
Approved June 24, 2003.
Filed with Secretary of State June 24, 2003.

[No. 22]**(HB 4561)**

AN ACT to amend 1967 PA 281, entitled “An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, and enforcement by lien and otherwise of taxes on or measured by net income; to prescribe the manner and time of making reports and paying the taxes, and the functions of public officers and others as to the taxes; to permit the inspection of the records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits and refunds of the taxes; to prescribe penalties for the violation of this act; to provide an appropriation; and to repeal certain acts and parts of acts,” by amending section 351 (MCL 206.351), as amended by 1996 PA 264.

The People of the State of Michigan enact:

206.351 Deducting and withholding tax on compensation; computation of amount; withholding tables; disposition of taxes withheld; employer as trustee; liability; nonresident employees; providing department with copy of certain exemption certificates; exemption certificate; statement; definitions.

Sec. 351. (1) Every employer in this state required under the provisions of the internal revenue code to withhold a tax on the compensation of an individual, except as otherwise provided, shall deduct and withhold a tax in an amount computed by applying, except as provided by subsection (9), the rate prescribed in section 51 to the remainder of the compensation after deducting from compensation the same proportion of the total amount of personal and dependency exemptions of the individual allowed under this act that the period of time covered by the compensation is of 1 year. The commissioner may prescribe withholding tables that may be used by employers to compute the amount of tax required to be withheld.

(2) Every flow-through entity in this state shall withhold a tax in an amount computed by applying the rate prescribed in section 51 to the share of taxable income available for distribution of each nonresident member after deducting from that distributive income the same proportion of the total amount of personal and dependency exemptions of the individual allowed under this act that the period of time covered by the distributive income is of 1 year. If a flow-through entity is a nonresident member of a separate flow-through entity in this state, the flow-through entity in this state of which it is a member shall withhold the tax as required by this subsection on behalf of the flow-through entity that is a nonresident member and all nonresident members of that flow-through entity that is a nonresident member.

(3) Every casino licensee shall withhold a tax in an amount computed by applying the rate prescribed in section 51 to the winnings of a nonresident reportable by the casino licensee under the internal revenue code.

(4) Every race meeting licensee or track licensee shall withhold a tax in an amount computed by applying the rate prescribed in section 51 to a payoff price on a winning ticket of a nonresident reportable by the race meeting licensee or track licensee under the internal revenue code that is the result of pari-mutuel wagering at a licensed race meeting.

(5) Every casino licensee or race meeting licensee or track licensee shall report winnings of a resident reportable by the casino licensee or race meeting licensee or track licensee under the internal revenue code to the department in the same manner and format as required under the internal revenue code.

(6) The taxes withheld under this section shall accrue to the state on the last day of the month in which the taxes are withheld but shall be returned and paid to the department by the employer, flow-through entity, casino licensee, or race meeting licensee or track licensee within 15 days after the end of any month or as provided in section 355, except prior to July 1, 1993, taxes deposited pursuant to section 19(2) of 1941 PA 122, MCL 205.19, are accrued on the last day of the filing period.

(7) An employer, flow-through entity, casino licensee, or race meeting licensee or track licensee required by this section to deduct and withhold taxes on compensation, a share of income available for distribution on which withholding is required under subsection (2), winning on which withholding is required under subsection (3), or a payoff price on which withholding is required under subsection (4) holds the amount of tax withheld as a trustee for the state, is liable for the payment of the tax to the state, and is not liable to any individual for the amount of the payment.

(8) An employer in this state is not required to deduct and withhold a tax on the compensation paid to a nonresident individual employee, who, under section 256, may claim a tax credit equal to or in excess of the tax estimated to be due for the tax year or is exempted from liability for the tax imposed by this act. In each tax year, the nonresident individual shall furnish to the employer, on a form approved by the department, a verified statement of nonresidence.

(9) An employer, flow-through entity, casino licensee, or race meeting licensee or track licensee required to withhold a tax under this act, by the fifteenth day of the following month, shall provide the department with a copy of any exemption certificate on which the employee, nonresident member, or person subject to withholding under subsection (3) or (4) claims more than 9 personal or dependency exemptions, claims a status that exempts the employee, nonresident member, or person subject to withholding under subsection (3) or (4) from withholding under this section, or elects to pay the tax imposed by this act calculated under section 51a.

(10) An employer shall deduct and withhold the tax imposed by this act calculated under section 51a for a resident who files an exemption certificate under subsection (9) to elect to pay the tax calculated under section 51a.

(11) The exemption certificate required by this section shall include the following statement, "Electing to file using the no-form option may not be for everyone who is eligible. If a taxpayer chooses the no-form option, he or she may not be eligible for some of the credits allowed under this act including the property tax credit allowed under sections 520 and 522, the tuition tax credit allowed under section 274, and the city income tax credit allowed under section 257."

(12) As used in this section:

(a) "Casino" means that term as defined in section 110.

(b) "Casino licensee" means a person licensed to operate a casino under the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.201 to 432.226.

(c) "Race meeting licensee" and "track licensee" mean a person to whom a race meeting license or track license is issued pursuant to section 8 of the horse racing law of 1995, 1995 PA 279, MCL 431.308.

Effective date.

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

This act is ordered to take immediate effect.

Approved June 24, 2003.

Filed with Secretary of State June 24, 2003.

[No. 23]**(HB 4567)**

AN ACT to amend 1941 PA 122, entitled “An act to establish the revenue collection duties of the department of treasury; to prescribe its powers and duties as the revenue collection agency of the state; to prescribe certain powers and duties of the state treasurer; to regulate the importation, stamping, and disposition of certain tobacco products; to provide for the transfer of powers and duties now vested in certain other state boards, commissions, departments and offices; to prescribe certain duties of and require certain reports from the department of treasury; to provide procedures for the payment, administration, audit, assessment, levy of interests or penalties on, and appeals of taxes and tax liability; to prescribe its powers and duties if an agreement to act as agent for a city to administer, collect, and enforce the city income tax act on behalf of a city is entered into with any city; to provide an appropriation; to abolish the state board of tax administration; to prescribe penalties and provide remedies; and to declare the effect of this act,” by amending section 27a (MCL 205.27a), as amended by 2002 PA 657.

The People of the State of Michigan enact:

205.27a Selling or quitting business; final return; escrow account for payment of taxes; liability for taxes, interest, and penalties; assessment of deficiency, interest, or penalty; claim for refund; fraud or failure to notify of alteration or modification of federal tax liability; assessment and payment of tax, penalties, and interest; suspension of statute of limitations; personal liability of corporate officers; conditions to paying claim for refund; schedule.

Sec. 27a. (1) If a person liable for a tax administered under this act sells out his or her business or its stock of goods or quits the business, the person shall make a final return within 15 days after the date of selling or quitting the business. The purchaser or succeeding purchasers, if any, who purchase a going or closed business or its stock of goods shall escrow sufficient money to cover the amount of taxes, interest, and penalties as may be due and unpaid until the former owner produces a receipt from the state treasurer or the state treasurer’s designated representative showing that the taxes due are paid, or a certificate stating that taxes are not due. Upon the owner’s written waiver of confidentiality, the department may release to a purchaser a business’s known tax liability for the purposes of establishing an escrow account for the payment of taxes. If the purchaser or succeeding purchasers of a business or its stock of goods fail to comply with the escrow requirements of this subsection, the purchaser is personally liable for the payment of the taxes, interest, and penalties accrued and unpaid by the business of the former owner. The purchaser’s or succeeding purchaser’s personal liability is limited to the fair market value of the business less the amount of any proceeds that are applied to balances due on secured interests that are superior to the lien provided for in section 29(1).

(2) A deficiency, interest, or penalty shall not be assessed after the expiration of 4 years after the date set for the filing of the required return or after the date the return was filed, whichever is later. The taxpayer shall not claim a refund of any amount paid to the department after the expiration of 4 years after the date set for the filing of the original return. A person who has failed to file a return is liable for all taxes due for the entire period for which the person would be subject to the taxes. If a person subject to tax

fraudulently conceals any liability for the tax or a part of the tax, or fails to notify the department of any alteration in or modification of federal tax liability, the department, within 2 years after discovery of the fraud or the failure to notify, shall assess the tax with penalties and interest as provided by this act, computed from the date on which the tax liability originally accrued. The tax, penalties, and interest are due and payable after notice and hearing as provided by this act.

(3) The running of the statute of limitations is suspended for the following:

(a) The period pending a final determination of tax, including audit, conference, hearing, and litigation of liability for federal income tax or a tax administered by the department and for 1 year after that period.

(b) The period for which the taxpayer and the state treasurer have consented to in writing that the period be extended.

(4) The running of the statute of limitations is suspended only as to those items that were the subject of the audit, conference, hearing, or litigation for federal income tax or a tax administered by the department.

(5) If a corporation, limited liability company, limited liability partnership, partnership, or limited partnership liable for taxes administered under this act fails for any reason to file the required returns or to pay the tax due, any of its officers, members, managers, or partners who the department determines, based on either an audit or an investigation, have control or supervision of, or responsibility for, making the returns or payments is personally liable for the failure. The signature of any corporate officers, members, managers, or partners on returns or negotiable instruments submitted in payment of taxes is prima facie evidence of their responsibility for making the returns and payments. The dissolution of a corporation, limited liability company, limited liability partnership, partnership, or limited partnership does not discharge an officer's, member's, manager's, or partner's liability for a prior failure of the corporation, limited liability company, limited liability partnership, partnership, or limited partnership to make a return or remit the tax due. The sum due for a liability may be assessed and collected under the related sections of this act.

(6) Notwithstanding the provisions of subsection (2), a claim for refund based upon the validity of a tax law based on the laws or constitution of the United States or the state constitution of 1963 shall not be paid unless the claim is filed within 90 days after the date set for filing a return.

(7) Subsection (6) does not apply to a claim for the refund of a tax paid for the 1984 tax year or a tax year after the 1984 tax year on income received as retirement or pension benefits from a public retirement system of the United States government if the claimant waives any claim for the refund of such a tax paid for a tax year before 1984. Claims for refunds to which this subsection applies shall be paid in accordance with the following schedule:

<u>Refunds for tax year:</u>	<u>Payable on or after:</u>
1988 and 1987	July 1, 1990
1986	July 1, 1991
1985	July 1, 1992
1984	July 1, 1993

Effective date relating to returns and remittances.

Enacting section 1. This amendatory act takes effect for returns and remittances for those returns that are due or filed on or after the effective date of this amendatory act.

This act is ordered to take immediate effect.

Approved June 24, 2003.

Filed with Secretary of State June 24, 2003.

Compiler's note: Enacting section 1 of Act 23 of 2003 provides: "Enacting section 1. This amendatory act takes effect for returns and remittances for those returns that are due or filed on or after the effective date of this amendatory act."

[No. 24]

(HB 4569)

AN ACT to amend 1937 PA 94, entitled "An act to provide for the levy, assessment and collection of a specific excise tax on the storage, use or consumption in this state of tangible personal property and certain services; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this act," by amending section 6 (MCL 205.96), as amended by 1998 PA 266.

The People of the State of Michigan enact:

205.96 Use tax returns; filing; form; contents; payment of tax; signing of return; remittance for certain total tax liability after subtracting tax payments; electronic funds transfer; filing other than monthly returns; accrual to state.

Sec. 6. (1) Every person storing, using, or consuming tangible personal property or services, the storage, use, or consumption of which is subject to the tax imposed by this act when the tax was not paid to a seller, and every seller collecting the tax from the purchaser, unless otherwise prescribed by the department under the provisions of subsection (2), (3), or (4), on or before the fifteenth day of each calendar month shall file with the department a return for the preceding calendar month, in a form prescribed by the department, showing the price of each purchase of tangible personal property or services during the preceding month, and other information the department considers necessary for the proper administration of this act. At the same time, each person shall pay to the department the amount of tax imposed by this act with respect to the purchases covered by the return. A return shall be signed by the person liable for the tax or his or her duly authorized agent. If the return is prepared by a person other than the taxpayer, the return shall also be signed by that person and show his or her address.

(2) Before January 1, 1999, each seller that had a total tax liability after subtracting the tax payments made to the secretary of state under this act or the sales tax act, 1933 PA 167, MCL 205.51 to 205.78, or after subtracting the tax credits available under section 6a of the general sales tax act, 1933 PA 167, MCL 205.56a, in the immediately preceding calendar year of \$720,000.00 or more on or before the eighteenth of each month shall remit to the department, by an electronic funds transfer method approved by the commissioner of revenue, an amount equal to 95% of the taxpayer's liability under this act for the same

month in the immediately preceding calendar year, or 95% of the actual liability for the current month being reported, plus a reconciliation payment equal to the difference between the tax liability determined for the immediately preceding month minus the amount of tax previously paid for that month.

(3) Beginning January 1, 1999, each seller that had a total tax liability after subtracting the tax payments made to the secretary of state under this act or the sales tax act, 1933 PA 167, MCL 205.51 to 205.78, or after subtracting the tax credits available under section 6a of the general sales tax act, 1933 PA 167, MCL 205.56a, in the immediately preceding calendar year of \$720,000.00 or more shall remit to the department, by an electronic funds transfer method approved by the commissioner of revenue on or before the fifteenth day of the month, an amount equal to 50% of the taxpayer's liability under this act for the same month in the immediately preceding calendar year, or 50% of the actual liability for the month being reported, whichever is less, plus a reconciliation payment equal to the difference between the tax liability determined for the immediately preceding month minus the amount of tax previously paid for that month. Additionally, the seller shall remit to the department, by an electronic funds transfer method approved by the commissioner of revenue on or before the last day of the month, an amount equal to 50% of the taxpayer's liability under this act for the same month in the immediately preceding calendar year, or 50% of the actual liability for the month being reported, whichever is less.

(4) If considered necessary to insure payment of the tax or to provide a more efficient administration, the revenue commissioner may require and prescribe the filing of returns and payment of the tax for other than monthly periods.

(5) The tax imposed under this act shall accrue to this state on the last day of each calendar month.

Effective date relating to returns and remittances.

Enacting section 1. This amendatory act takes effect for returns and remittances for those returns that are due or filed on or after the effective date of this amendatory act.

This act is ordered to take immediate effect.

Approved June 24, 2003.

Filed with Secretary of State June 24, 2003.

Compiler's note: Enacting section 1 of Act 24 of 2003 provides: "Enacting section 1. This amendatory act takes effect for returns and remittances for those returns that are due or filed on or after the effective date of this amendatory act."

[No. 25]

(HB 4568)

AN ACT to amend 1933 PA 167, entitled "An act to provide for the raising of additional public revenue by prescribing certain specific taxes, fees, and charges to be paid to the state for the privilege of engaging in certain business activities; to provide, incident to the enforcement thereof, for the issuance of licenses to engage in such occupations; to provide for the ascertainment, assessment and collection thereof; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this act," by amending section 15 (MCL 205.65), as amended by 2002 PA 579.

The People of the State of Michigan enact:

205.65 Certificate of dissolution or withdrawal.

Sec. 15. A domestic corporation, a foreign corporation, or other business entity authorized to transact business in this state that submits a certificate of dissolution or requests a certificate of withdrawal from this state shall request a certificate from the department stating that taxes are not due under section 27a of 1941 PA 122, MCL 205.27a, not more than 60 days after submitting the certificate of dissolution or requesting the certificate of withdrawal. A corporation or other business entity that does not request a certificate stating that taxes are not due is subject to the same penalties under section 24 of 1941 PA 122, MCL 205.24, that a taxpayer would be subject to for failure to file a return.

Conditional effective date.

Enacting section 1. This amendatory act takes effect for returns and remittances for those returns that are due or filed on or after the effective date of this amendatory act.

This act is ordered to take immediate effect.

Approved June 24, 2003.

Filed with Secretary of State June 24, 2003.

Compiler's note: Enacting section 1 of Act 25 of 2003 provides: "Enacting section 1. This amendatory act takes effect for returns and remittances for those returns that are due or filed on or after the effective date of this amendatory act."

[No. 26]

(HB 4310)

AN ACT to amend 1939 PA 141, entitled "An act to regulate the storage, warehousing, buying, and selling of farm produce within this state; to provide for the licensing, regulation, and bonding of grain dealers; to provide for warehouse receipts, acknowledgment forms, and price later agreements and their use and priority; to provide for the creation of security interests; to provide for certain powers and duties of the department of agriculture and its director; to impose certain duties on insurance companies and sureties; and to provide administrative remedies and penalties for the violation of this act," by amending section 25 (MCL 285.85), as added by 2002 PA 80.

The People of the State of Michigan enact:

285.85 Injunction; applicability of penalties to public officials; civil or criminal liability; hearing; local ordinance, regulation, or resolution; preemption; confidentiality; exceptions.

Sec. 25. (1) The director may bring an action to enjoin the violation or threatened violation of this act or a rule promulgated under this act in a state court in the county in which the violation occurs or is threatened to occur or in Ingham county.

(2) The penalties provided for a violation of this act do not apply to a public official of this state or the federal government engaged in the performance of his or her official duties in administering the laws, rules, or regulations of this state or the federal government.

(3) Enactment of this amendatory act does not terminate or in any way modify any civil or criminal liability under this act in existence on or before the effective date of the amendatory act adding this section.

(4) A person aggrieved by an order of the director issued under this act may request a hearing pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(5) Beginning on the effective date of the amendatory act that added this section, this act preempts and supersedes any local ordinance, regulation, or resolution that imposes conflicting, different, or additional standards or requirements on grain dealers than those contained in this act. A local unit of government shall not adopt or enforce an ordinance, regulation, or resolution that imposes conflicting, different, or additional standards or requirements on grain dealers than those contained in this act.

(6) The identity of an individual submitting information regarding an alleged violation or threatened violation of this act by a grain dealer is confidential and is not subject to the disclosure requirements of the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, except that the identity of the individual may be disclosed in any of the following circumstances:

- (a) With the written consent of the individual.
- (b) Pursuant to a court proceeding.
- (c) The disclosure is made to the director or an agent or employee of the department.
- (d) The disclosure is made to an agent or employee of a state or the federal government authorized by law to see the identity of the individual.

This act is ordered to take immediate effect.

Approved June 26, 2003.

Filed with Secretary of State June 26, 2003.

[No. 27]

(HB 4219)

AN ACT to amend 1937 PA 94, entitled “An act to provide for the levy, assessment and collection of a specific excise tax on the storage, use or consumption in this state of tangible personal property and certain services; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this act,” by amending section 3 (MCL 205.93), as amended by 2002 PA 669.

The People of the State of Michigan enact:

205.93 Tax rate; penalties and interest; presumption; collection; price tax base; exemptions; services, information, or records.

Sec. 3. (1) There is levied upon and there shall be collected from every person in this state a specific tax for the privilege of using, storing, or consuming tangible personal property in this state at a rate equal to 6% of the price of the property or services specified in section 3a or 3b. Penalties and interest shall be added to the tax if applicable as provided in this act. For the purpose of the proper administration of this act and to prevent the evasion of the tax, all of the following shall be presumed:

(a) That tangible personal property purchased is subject to the tax if brought into this state within 90 days of the purchase date and is considered as acquired for storage, use,

or other consumption in this state. Beginning April 1, 2003, as used in this subsection and section 4(1)(a), the term “price” means, with respect to diesel fuel used by interstate motor carriers in a qualified commercial motor vehicle, the statewide average retail price of a gallon of self-serve diesel fuel as determined and certified quarterly by the department, rounded down to the nearest 1/10 of a cent. This use tax on diesel fuel used by interstate motor carriers in a qualified commercial motor vehicle shall be collected under the international fuel tax agreement.

(b) That tangible personal property used solely for personal, nonbusiness purposes that is purchased outside of this state and that is not an aircraft is exempt from the tax levied under this act if 1 or more of the following conditions are satisfied:

(i) The property is purchased by a person who is not a resident of this state at the time of purchase and is brought into this state more than 90 days after the date of purchase.

(ii) The property is purchased by a person who is a resident of this state at the time of purchase and is brought into this state more than 360 days after the date of purchase.

(2) The tax imposed by this section for the privilege of using, storing, or consuming a vehicle, ORV, manufactured housing, aircraft, snowmobile, or watercraft shall be collected before the transfer of the vehicle, ORV, manufactured housing, aircraft, snowmobile, or watercraft, except a transfer to a licensed dealer or retailer for purposes of resale that arises by reason of a transaction made by a person who does not transfer vehicles, ORVs, manufactured housing, aircraft, snowmobiles, or watercraft in the ordinary course of his or her business done in this state. The tax on a vehicle, ORV, snowmobile, and watercraft shall be collected by the secretary of state before the transfer of the vehicle, ORV, snowmobile, or watercraft registration. The tax on manufactured housing shall be collected by the department of consumer and industry services, mobile home commission, or its agent before the transfer of the certificate of title. The tax on an aircraft shall be collected by the department of treasury. Notwithstanding any limitation contained in section 2 and except as provided in this subsection, the price tax base of any vehicle, ORV, manufactured housing, aircraft, snowmobile, or watercraft subject to taxation under this act shall be not less than its retail dollar value at the time of acquisition as fixed pursuant to rules promulgated by the department. However, the price tax base of an aircraft that would otherwise qualify for the presumption under subsection (1)(b) if it were other tangible personal property shall be its retail value at the time it becomes taxable in this state. The price tax base of a new or previously owned car or truck held for resale by a dealer and that is not exempt under section 4(1)(c) is the purchase price of the car or truck multiplied by 2.5% plus \$30.00 per month beginning with the month that the dealer uses the car or truck in a nonexempt manner.

(3) The following transfers or purchases are not subject to use tax:

(a) A transaction or a portion of a transaction if the transferee or purchaser is the spouse, mother, father, brother, sister, child, stepparent, stepchild, stepbrother, stepsister, grandparent, grandchild, legal ward, or a legally appointed guardian with a certified letter of guardianship, of the transferor.

(b) A transaction or a portion of a transaction if the transfer is a gift to a beneficiary in the administration of an estate.

(c) If a vehicle, ORV, manufactured housing, aircraft, snowmobile, or watercraft that has once been subjected to the Michigan sales or use tax is transferred in connection with the organization, reorganization, dissolution, or partial liquidation of an incorporated or unincorporated business and the beneficial ownership is not changed.

(d) If an insurance company licensed to conduct business in this state acquires ownership of a late model distressed vehicle as defined in section 12a of the Michigan

vehicle code, 1949 PA 300, MCL 257.12a, through payment of damages in response to a claim or when the person who owned the vehicle before the insurance company reacquires ownership from the company as part of the settlement of a claim.

(4) The department may utilize the services, information, or records of any other department or agency of state government in the performance of its duties under this act, and other departments or agencies of state government are required to furnish those services, information, or records upon the request of the department.

Approved June 26, 2003.

Filed with Secretary of State June 26, 2003.

[No. 28]

(HB 4008)

AN ACT to amend 1967 PA 281, entitled “An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, and enforcement by lien and otherwise of taxes on or measured by net income; to prescribe the manner and time of making reports and paying the taxes, and the functions of public officers and others as to the taxes; to permit the inspection of the records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits and refunds of the taxes; to prescribe penalties for the violation of this act; to provide an appropriation; and to repeal certain acts and parts of acts,” (MCL 206.1 to 206.532) by adding section 512a.

The People of the State of Michigan enact:

206.512a “Property taxes” defined.

Sec. 512a. “Property taxes” means, for the 2003 tax year and tax years after the 2003 tax year, general ad valorem taxes due and payable, levied on a homestead within this state including property tax administration fees, but does not include penalties, interest, or special assessments unless the special assessment is levied using a uniform millage rate on all real property not exempt by state law from the levy of the special assessment and complies with 1 of the following:

(a) The special assessment is levied in the entire city, village, or township and is levied and based on state equalized valuation or taxable value.

(b) The special assessment is for police, fire, or advanced life support, is levied in the entire township excluding all or a portion of a village within the township, and is levied and based on state equalized valuation or taxable value.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 23 of the 92nd Legislature is enacted into law.

This act is ordered to take immediate effect.

Approved June 26, 2003.

Filed with Secretary of State June 26, 2003.

[No. 29]**(SB 23)**

AN ACT to amend 1967 PA 281, entitled “An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, and enforcement by lien and otherwise of taxes on or measured by net income; to prescribe the manner and time of making reports and paying the taxes, and the functions of public officers and others as to the taxes; to permit the inspection of the records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits and refunds of the taxes; to prescribe penalties for the violation of this act; to provide an appropriation; and to repeal certain acts and parts of acts,” by amending section 512 (MCL 206.512), as amended by 1996 PA 484.

The People of the State of Michigan enact:

206.512 Definitions; P to R.

Sec. 512. (1) “Paraplegic, hemiplegic, or quadriplegic” means an individual, or either 1 of 2 persons filing a joint tax return under this act, who is a paraplegic, hemiplegic, or quadriplegic at the end of the tax year.

(2) “Property taxes” means, for tax years before the 2003 tax year, general ad valorem taxes due and payable, levied on a homestead within this state including property tax administration fees, but does not include penalties, interest, or special assessments unless assessed in the entire city, village, or township, levied using a uniform millage rate on all real property not exempt by state law from the levy of the special assessment, and levied and based on state equalized valuation or taxable value.

(3) “Qualified person” means a claimant and any person, domiciled in Michigan, who can be claimed as a dependent under the internal revenue code and who does not file a claim under this act for the same tax year. The term does not include the additional exemptions allowed for age or blindness.

(4) “Renter” means a person who rents or leases a homestead.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless House Bill No. 4008 of the 92nd Legislature is enacted into law.

This act is ordered to take immediate effect.

Approved June 26, 2003.

Filed with Secretary of State June 26, 2003.

Compiler's note: House Bill No. 4008, referred to in enacting section 1, was filed with the Secretary of State June 26, 2003, and became P.A. 2003, No. 28, Imd. Eff. June 26, 2003.

[No. 30]**(HB 4330)**

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 803e (MCL 257.803e), as amended by 1998 PA 68.

The People of the State of Michigan enact:

257.803e Special registration plate for certain persons; inscription; application; form; proof; service fee; issuance of plate; exemption; misdemeanor; expiration of plate; application for renewal.

Sec. 803e. (1) A person who has been a prisoner of war or a person whose spouse has been a prisoner of war may make application to the secretary of state for a special registration plate which shall be inscribed with special identification numbers preceded by the letters “EX-POW” and shall have the words “ex-prisoner of war” inscribed beneath the registration number.

(2) A person who was a member of the armed services during World War I may make application to the secretary of state for a special registration plate, which shall be inscribed with special identification numbers preceded by the letters “WWI” and shall have the words “World War I veteran” inscribed beneath the registration number.

(3) A person who was a member of the armed services during 1941, stationed at a United States military or naval establishment at Pearl Harbor in the Hawaiian islands, and who survived the attack by Japan on Pearl Harbor on December 7, 1941 may make application to the secretary of state for a special registration plate, which shall be inscribed with special identification numbers and shall have the words “Pearl Harbor survivor” inscribed beneath the registration number.

(4) A person who is a recipient of the purple heart medal may make application to the secretary of state for a special registration plate which shall be inscribed with special identification numbers and shall have the words “combat wounded veteran” inscribed beneath the registration number. In addition, the special registration plate described under this subsection shall be inscribed with a vignette of the official purple heart medal.

(5) Application for a special registration plate shall be on a form prescribed by the secretary of state, and shall be accompanied by any proof of the applicant having been a prisoner of war, World War I veteran, Pearl Harbor survivor, or recipient of the purple heart medal that the secretary of state may require. The application for a special registration plate shall also be accompanied with payment of a \$5.00 service fee.

(6) Upon proper application and payment of the \$5.00 service fee, the secretary of state shall issue 1 or more special registration plates for each applicant for use on a passenger vehicle. A person who is disabled who makes application for a special registration plate under this section and who makes payment of the \$5.00 service fee shall be issued a tab for

persons with disabilities as provided in section 803f for his or her special registration plate. The secretary of state shall require the same proof that the applicant is a disabled person as is required for issuance of a permanent windshield placard under section 675. One person in any household is entitled to 1 special registration plate issued under subsection (1) that is exempt from payment of the tax provided in section 801. The person who is issued an additional special registration plate under subsection (1) shall be assessed the applicable tax provided for in section 801. A person issued 1 or more special registration plates under subsection (2), (3), or (4) shall be assessed the applicable tax provided in section 801.

(7) The use of a special registration plate on a vehicle other than the vehicle for which the plate is issued, or by a person who does not qualify under this section, is a misdemeanor.

(8) The special registration plate issued under this section expires on the birthday of the vehicle owner in a year in which new plates are issued by the secretary of state. Application for renewal of the special registration plate shall be accompanied by a \$5.00 service fee. The applicant is not required to furnish the proof provided in subsection (5).

This act is ordered to take immediate effect.

Approved June 27, 2003.

Filed with Secretary of State June 30, 2003.

[No. 31]

(HB 4818)

AN ACT to amend 1927 PA 372, entitled “An act to regulate and license the selling, purchasing, possessing, and carrying of certain firearms and gas ejecting devices; to prohibit the buying, selling, or carrying of certain firearms and gas ejecting devices without a license or other authorization; to provide for the forfeiture of firearms under certain circumstances; to provide for penalties and remedies; to provide immunity from civil liability under certain circumstances; to prescribe the powers and duties of certain state and local agencies; to prohibit certain conduct against individuals who apply for or receive a license to carry a concealed pistol; to make appropriations; to prescribe certain conditions for the appropriations; and to repeal all acts and parts of acts inconsistent with this act,” by amending section 5b (MCL 28.425b), as amended by 2002 PA 719.

The People of the State of Michigan enact:

28.425b License application; fee; verification of requirements; determination; circumstances for issuance; fingerprints; issuance or denial; temporary license; suspension or revocation of license; definitions.

Sec. 5b. (1) To obtain a license to carry a concealed pistol, an individual shall apply to the concealed weapon licensing board in the county in which that individual resides. The application shall be filed with the county clerk during the county clerk’s normal business hours. The application shall be on a form provided by the director of the department of state police and shall allow the applicant to designate whether the applicant seeks a temporary license. The application shall be signed under oath by the applicant. The oath

shall be administered by the county clerk or his or her representative. The application shall contain all of the following information:

(a) The applicant's legal name and date of birth and the address of his or her primary residence. If the applicant resides in a city, village, or township that has a police department, the name of the police department.

(b) A statement by the applicant that the applicant meets the criteria for a license under this act to carry a concealed pistol.

(c) A statement by the applicant authorizing the concealed weapon licensing board to access any record, including any medical record, pertaining to the applicant's qualifications for a license to carry a concealed pistol under this act. The applicant may request that information received by the concealed weapon licensing board under this subdivision be reviewed in a closed session. If the applicant requests that the session be closed, the concealed weapon licensing board shall close the session only for purposes of this subdivision. The applicant and his or her representative have the right to be present in the closed session. Medical records and personal identifying information received by the concealed weapon licensing board under this subdivision is confidential, is not subject to disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, and shall not be disclosed to any person except for purposes of this act or for law enforcement purposes or if the applicant is convicted of a felony involving a pistol.

(d) A statement by the applicant regarding whether he or she has a history of mental illness that would disqualify him or her under subsection (7)(j) to (l) from receiving a license to carry a concealed pistol, and authorizing the concealed weapon licensing board to access the mental health records of the applicant relating to his or her mental health history. The applicant may request that information received by the concealed weapon licensing board under this subdivision be reviewed in a closed session. If the applicant requests that the session be closed, the concealed weapon licensing board shall close the session only for purposes of this subdivision. The applicant and his or her representative have the right to be present in the closed session. Medical records and personal identifying information received by the concealed weapon licensing board under this subdivision is confidential, is not subject to disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, and shall not be disclosed to any person except for purposes of this act or for law enforcement purposes.

(e) A statement by the applicant regarding whether he or she has ever been convicted in this state or elsewhere for any felony or misdemeanor.

(f) A statement by the applicant whether he or she has been dishonorably discharged from the United States armed forces.

(g) If the applicant seeks a temporary license, the facts supporting the issuance of that temporary license.

(h) The names, residential addresses, and telephone numbers of 2 individuals who are references for the applicant.

(i) A passport-quality photograph of the applicant provided by the applicant at the time of application.

(j) A certificate stating that the applicant has completed the training course prescribed by this act.

(2) The application form shall contain a conspicuous warning that the application is executed under oath and that intentionally making a material false statement on the application is a felony punishable by imprisonment for not more than 4 years or a fine of not more than \$2,500.00, or both.

(3) An individual who intentionally makes a material false statement on an application under subsection (1) is guilty of a felony punishable by imprisonment for not more than 4 years or a fine of not more than \$2,500.00, or both.

(4) The concealed weapon licensing board shall retain a copy of each application for a license to carry a concealed pistol as an official record. One year after the expiration of a concealed pistol license, the county clerk may destroy the record and maintain only a name index of the record.

(5) Each applicant shall pay a fee of \$105.00 by any method of payment accepted by that county for payments of other fees and penalties. Except for a local police agency as provided in subsection (9), a unit of local government, an agency of a unit of local government, or an agency or department of this state shall not charge an additional fee, assessment, or other amount in connection with a license under this section. The fee shall be payable to the county. The county treasurer shall deposit \$41.00 of each fee collected under this section in the general fund of the county and credit \$26.00 of that deposit to the credit of the county clerk and \$15.00 of that deposit to the credit of the county sheriff and forward the balance to the state treasurer. The state treasurer shall deposit the balance of the fee in the general fund to the credit of the department of state police. The department of state police shall use the money received under this act to process the fingerprints and to reimburse the federal bureau of investigation for the costs associated with processing fingerprints submitted under this act. The balance of the money received under this act shall be credited to the department of state police.

(6) The county sheriff on behalf of the concealed weapon licensing board shall verify the requirements of subsection (7)(d), (e), (f), (h), (i), (j), (k), (l), and (m) through the law enforcement information network and report his or her finding to the concealed weapon licensing board. If the applicant resides in a city, village, or township that has a police department, the concealed weapon licensing board shall contact that city, village, or township police department to determine only whether that city, village, or township police department has any information relevant to the investigation of whether the applicant is eligible under this act to receive a license to carry a concealed pistol.

(7) The concealed weapon licensing board shall issue a license to an applicant to carry a concealed pistol within the period required under this act after the applicant properly submits an application under subsection (1) and the concealed weapon licensing board determines that all of the following circumstances exist:

(a) The applicant is 21 years of age or older.

(b) The applicant is a citizen of the United States or is a resident legal alien as defined in section 11 of title 18 of the United States Code, is a resident of this state, and has resided in this state for at least 6 months. The concealed weapon licensing board may waive the 6-month residency requirement for a temporary license under section 5a(8) if the concealed weapon licensing board determines there is probable cause to believe the safety of the applicant or the safety of a member of the applicant's family is endangered by the applicant's inability to immediately obtain a license to carry a concealed pistol.

(c) The applicant has knowledge and has had training in the safe use and handling of a pistol by the successful completion of a pistol safety training course or class that meets the requirements of section 5j, and that is available to the general public and presented by a law enforcement agency, junior or community college, college, or public or private institution or organization or firearms training school.

(d) The applicant is not the subject of an order or disposition under any of the following:

(i) Section 464a of the mental health code, 1974 PA 258, MCL 330.1464a.

(ii) Section 5107 of the estates and protected individuals code, 1998 PA 386, MCL 700.5107.

(iii) Sections 2950 and 2950a of the revised judicature act of 1961, 1961 PA 236, MCL 600.2950 and 600.2950a.

(iv) Section 6b of chapter V of the code of criminal procedure, 1927 PA 175, MCL 765.6b, if the order has a condition imposed pursuant to section 6b(3) of chapter V of the code of criminal procedure, 1927 PA 175, MCL 765.6b.

(v) Section 16b of chapter IX of the code of criminal procedure, 1927 PA 175, MCL 769.16b.

(e) The applicant is not prohibited from possessing, using, transporting, selling, purchasing, carrying, shipping, receiving, or distributing a firearm under section 224f of the Michigan penal code, 1931 PA 328, MCL 750.224f.

(f) The applicant has never been convicted of a felony in this state or elsewhere, and a felony charge against the applicant is not pending in this state or elsewhere at the time he or she applies for a license described in this section.

(g) The applicant has not been dishonorably discharged from the United States armed forces.

(h) The applicant has not been convicted of a misdemeanor violation of any of the following in the 8 years immediately preceding the date of application:

(i) Section 617a of the Michigan vehicle code, 1949 PA 300, MCL 257.617a (failing to stop when involved in a personal injury accident).

(ii) Section 625 of the Michigan vehicle code, 1949 PA 300, MCL 257.625, punishable as provided in subsection (8)(b) of that section (drunk driving, second offense).

(iii) Section 625m of the Michigan vehicle code, 1949 PA 300, MCL 257.625m punishable under subsection (4) of that section (drunk driving, commercial vehicle).

(iv) Section 626 of the Michigan vehicle code, 1949 PA 300, MCL 257.626 (reckless driving).

(v) Section 904(1) of the Michigan vehicle code, 1949 PA 300, MCL 257.904 (driving while license suspended or revoked), punishable as a second or subsequent offense.

(vi) Section 185 of the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.185 (operating aircraft with alcohol with prior conviction).

(vii) Section 29 of the weights and measures act, 1964 PA 283, MCL 290.629 (hindering or obstructing weights and measures enforcement officer).

(viii) Section 10 of the motor fuels quality act, 1984 PA 44, MCL 290.650 (hindering, obstructing, assaulting, or committing bodily injury upon director or authorized representative).

(ix) Section 81134 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.81134, punishable under subsection (5) or (6) of that section (operating ORV under the influence, second or subsequent offense).

(x) Section 82127 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82127 (operating a snowmobile under the influence with prior conviction), punishable under section 82128(1)(b) or (c) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82128.

(*xvi*) Section 80176 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80176, and punishable under section 80177(1)(b) (operating vessel under the influence, second or subsequent offense).

(*xvii*) Section 7403 of the public health code, 1978 PA 368, MCL 333.7403.

(*xviii*) Section 353 of the railroad code of 1993, 1993 PA 354, MCL 462.353 (operating locomotive under the influence), punishable under subsection (4) of that section.

(*xix*) Section 7 of 1978 PA 33, MCL 722.677 (displaying sexually explicit materials to minors).

(*xx*) Section 81 of the Michigan penal code, 1931 PA 328, MCL 750.81 (assault or domestic assault).

(*xxi*) Section 81a(1) or (2) of the Michigan penal code, 1931 PA 328, MCL 750.81a (aggravated assault or aggravated domestic assault).

(*xxii*) Section 115 of the Michigan penal code, 1931 PA 328, MCL 750.115 (entering without breaking).

(*xxiii*) Section 136b(6) of the Michigan penal code, 1931 PA 328, MCL 750.136b (fourth degree child abuse).

(*xxiv*) Section 145a of the Michigan penal code, 1931 PA 328, MCL 750.145a (accosting, enticing, or soliciting a child for immoral purposes).

(*xxv*) Section 145n of the Michigan penal code, 1931 PA 328, MCL 750.145n (vulnerable adult abuse).

(*xxvi*) Section 157b(3)(b) of the Michigan penal code, 1931 PA 328, MCL 750.157b (solicitation to commit a felony).

(*xxvii*) Section 215 of the Michigan penal code, 1931 PA 328, MCL 750.215 (impersonating sheriff, conservation officer, coroner, constable, or police officer).

(*xxviii*) Section 223 of the Michigan penal code, 1931 PA 328, MCL 750.223 (illegal sale of a firearm or ammunition).

(*xxix*) Section 224d of the Michigan penal code, 1931 PA 328, MCL 750.224d (illegal sale of a self-defense spray).

(*xxx*) Section 226a of the Michigan penal code, 1931 PA 328, MCL 750.226a (sale or possession of a switchblade).

(*xxxi*) Section 227c of the Michigan penal code, 1931 PA 328, MCL 750.227c (improper transportation of a firearm).

(*xxxii*) Section 228 of the Michigan penal code, 1931 PA 328, MCL 750.228 (failure to have a pistol inspected).

(*xxxiii*) Section 229 of the Michigan penal code, 1931 PA 328, MCL 750.229 (accepting a pistol in pawn).

(*xxxiv*) Section 232 of the Michigan penal code, 1931 PA 328, MCL 750.232 (failure to register the purchase of a firearm or a firearm component).

(*xxxv*) Section 232a of the Michigan penal code, 1931 PA 328, MCL 750.232a (improperly obtaining a pistol, making a false statement on an application to purchase a pistol, or using false identification to purchase a pistol).

(*xxxvi*) Section 233 of the Michigan penal code, 1931 PA 328, MCL 750.233 (intentionally aiming a firearm without malice).

(*xxxvii*) Section 234 of the Michigan penal code, 1931 PA 328, MCL 750.234 (intentionally discharging a firearm aimed without malice).

(*xxxiii*) Section 234d of the Michigan penal code, 1931 PA 328, MCL 750.234d (possessing a firearm on prohibited premises).

(*xxxiv*) Section 234e of the Michigan penal code, 1931 PA 328, MCL 750.234e (brandishing a firearm in public).

(*xxxv*) Section 234f of the Michigan penal code, 1931 PA 328, MCL 750.234f (possession of a firearm by an individual less than 18 years of age).

(*xxxvi*) Section 235 of the Michigan penal code, 1931 PA 328, MCL 750.235 (intentionally discharging a firearm aimed without malice causing injury).

(*xxxvii*) Section 235a of the Michigan penal code, 1931 PA 328, MCL 750.235a (parent of a minor who possessed a firearm in a weapon free school zone).

(*xxxviii*) Section 236 of the Michigan penal code, 1931 PA 328, MCL 750.236 (setting a spring gun or other device).

(*xxxix*) Section 237 of the Michigan penal code, 1931 PA 328, MCL 750.237 (possessing a firearm while under the influence of intoxicating liquor or a drug).

(*xl*) Section 237a of the Michigan penal code, 1931 PA 328, MCL 750.237a (weapon free school zone violation).

(*xli*) Section 335a of the Michigan penal code, 1931 PA 328, MCL 750.335a (indecent exposure).

(*xlii*) Section 411h of the Michigan penal code, 1931 PA 328, MCL 750.411h (stalking).

(*xliii*) Section 1 of 1952 PA 45, MCL 752.861 (reckless, careless, or negligent use of a firearm resulting in injury or death).

(*xliv*) Section 2 of 1952 PA 45, MCL 752.862 (careless, reckless, or negligent use of a firearm resulting in property damage).

(*xlv*) Section 3a of 1952 PA 45, MCL 752.863a (reckless discharge of a firearm).

(*xlvi*) A violation of a law of the United States, another state, or a local unit of government of this state or another state substantially corresponding to a violation described in subparagraphs (*i*) to (*xlv*).

(*i*) The applicant has not been convicted of a misdemeanor violation of any of the following in the 3 years immediately preceding the date of application unless the misdemeanor violation is listed under subdivision (*h*):

(*i*) Section 625 of the Michigan vehicle code, 1949 PA 300, MCL 257.625 (operating under the influence).

(*ii*) Section 625a of the Michigan vehicle code, 1949 PA 300, MCL 257.625a (refusal of commercial vehicle driver to submit to a chemical test).

(*iii*) Section 625k of the Michigan vehicle code, 1949 PA 300, MCL 257.625k (negligently fails to comply).

(*iv*) Section 625l of the Michigan vehicle code, 1949 PA 300, MCL 257.625l (circumventing an ignition interlocking device).

(*v*) Section 625m of the Michigan vehicle code, 1949 PA 300, MCL 257.625m, punishable under subsection (3) of that section (operating a commercial vehicle with alcohol content).

(*vi*) Section 185 of the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.185 (operating aircraft under the influence).

(*vii*) Section 81134 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.81134 (operating ORV under the influence).

(viii) Section 81135 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.81135 (operating ORV having consumed controlled substance).

(ix) Section 82127 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82127 (operating a snowmobile under the influence).

(x) Part 74 of the public health code, 1978 PA 368, MCL 333.7401 to 333.7461 (controlled substances).

(xi) Section 353 of the railroad code of 1993, 1993 PA 354, MCL 462.353 (operating locomotive under the influence), punishable under subsection (3) of that section.

(xii) Section 167 of the Michigan penal code, 1931 PA 328, MCL 750.167 (disorderly person).

(xiii) Section 174 of the Michigan penal code, 1931 PA 328, MCL 750.174 (embezzlement).

(xiv) Section 218 of the Michigan penal code, 1931 PA 328, MCL 750.218 (false pretenses).

(xv) Section 356 of the Michigan penal code, 1931 PA 328, MCL 750.356 (larceny).

(xvi) Section 356d of the Michigan penal code, 1931 PA 328, MCL 750.356d (retail fraud).

(xvii) Section 359 of the Michigan penal code, 1931 PA 328, MCL 750.359 (larceny-vacant building).

(xviii) Section 362 of the Michigan penal code, 1931 PA 328, MCL 750.362 (larceny by conversion).

(xix) Section 362a of the Michigan penal code, 1931 PA 328, MCL 750.362a (defrauding lessor).

(xx) Section 377a of the Michigan penal code, 1931 PA 328, MCL 750.377a (malicious destruction of property).

(xxi) Section 380 of the Michigan penal code, 1931 PA 328, MCL 750.380 (malicious destruction of real property).

(xxii) Section 479a of the Michigan penal code, 1931 PA 328, MCL 750.479a (failure to obey police direction).

(xxiii) Section 535 of the Michigan penal code, 1931 PA 328, MCL 750.535 (receiving stolen property).

(xxiv) Section 540e of the Michigan penal code, 1931 PA 328, MCL 750.540e (malicious use of telephones).

(xxv) A violation of a law of the United States, another state, or a local unit of government of this state or another state substantially corresponding to a violation described in subparagraphs (i) to (xxiv).

(j) The applicant has not been found guilty but mentally ill of any crime and has not offered a plea of not guilty of, or been acquitted of, any crime by reason of insanity.

(k) The applicant has never been subject to an order of involuntary commitment in an inpatient or outpatient setting due to mental illness.

(l) The applicant does not have a diagnosed mental illness at the time the application is made regardless of whether he or she is receiving treatment for that illness.

(m) The applicant is not under a court order of legal incapacity in this state or elsewhere.

(n) Issuing a license to the applicant to carry a concealed pistol in this state is not detrimental to the safety of the applicant or to any other individual. A determination under this subdivision shall be based on clear and convincing evidence of repeated violations of this act, crimes, personal protection orders or injunctions, or police reports or other clear and convincing evidence of the actions of, or statements of, the applicant that bear directly on the applicant's ability to carry a concealed pistol.

(8) Upon entry of a court order or conviction of 1 of the enumerated prohibitions for using, transporting, selling, purchasing, carrying, shipping, receiving or distributing a firearm in this section the department of state police shall immediately enter the order or conviction into the law enforcement information network. For purposes of this act, information of the court order or conviction shall not be removed from the law enforcement information network, but may be moved to a separate file intended for the use of the county concealed weapon licensing boards, the courts, and other government entities as necessary and exclusively to determine eligibility to be licensed under this act.

(9) An individual, after submitting an application and paying the fee prescribed under subsection (5), shall request and have classifiable fingerprints taken by the county sheriff or a local police agency if that local police agency maintains fingerprinting capability. If the individual requests that classifiable fingerprints be taken by a local police agency, the individual shall also pay to that local police agency a fee of \$15.00 by any method of payment accepted by the unit of local government for payments of other fees and penalties. The county sheriff or local police agency shall take the fingerprints within 5 business days after the request.

(10) The fingerprints shall be taken, under subsection (9), on forms and in a manner prescribed by the department of state police. The fingerprints shall be immediately forwarded to the department of state police for comparison with fingerprints already on file with the department of state police. The department of state police shall forward the fingerprints to the federal bureau of investigation. Within 10 days after receiving a report of the fingerprints from the federal bureau of investigation, the department of state police shall provide a copy to the submitting sheriff's department or local police agency as appropriate and the clerk of the appropriate concealed weapon licensing board. Except as provided in subsection (14), the concealed weapon licensing board shall not issue a concealed pistol license until it receives the fingerprint comparison report prescribed in this subsection. The concealed weapon licensing board may deny a license if an individual's fingerprints are not classifiable by the federal bureau of investigation.

(11) The concealed weapon licensing board shall deny a license to an applicant to carry a concealed pistol if the applicant is not qualified under subsection (7) to receive that license.

(12) A license to carry a concealed pistol that is issued based upon an application that contains a material false statement is void from the date the license is issued.

(13) Subject to subsections (10) and (14), the concealed weapon licensing board shall issue or deny issuance of a license within 45 days after the concealed weapon licensing board receives the fingerprint comparison report provided under subsection (10). If the concealed weapon licensing board denies issuance of a license to carry a concealed pistol, the concealed weapon licensing board shall within 5 business days do both of the following:

(a) Inform the applicant in writing of the reasons for the denial. Information under this subdivision shall include all of the following:

(i) A statement of the specific and articulable facts supporting the denial.

(ii) Copies of any writings, photographs, records, or other documentary evidence upon which the denial is based.

(b) Inform the applicant in writing of his or her right to appeal the denial to the circuit court as provided in section 5d.

(14) If the fingerprint comparison report is not received by the concealed weapon licensing board within 60 days after the fingerprint report is forwarded to the department of state police by the federal bureau of investigation, the concealed weapon licensing board shall issue a temporary license to carry a concealed pistol to the applicant if the applicant is otherwise qualified for a license. A temporary license issued under this section is valid for 180 days or until the concealed weapon licensing board receives the fingerprint comparison report provided under subsection (10) and issues or denies issuance of a license to carry a concealed pistol as otherwise provided under this act. Upon issuance or the denial of issuance of the license to carry a concealed pistol to an applicant who received a temporary license under this section, the applicant shall immediately surrender the temporary license to the concealed weapon licensing board that issued that temporary license.

(15) If an individual licensed under this act to carry a concealed pistol moves to a different county within this state, his or her license remains valid until it expires or is otherwise suspended or revoked under this act. A license to carry a concealed pistol that is lost, stolen, or defaced may be replaced by the issuing county clerk for a replacement fee of \$10.00.

(16) If a concealed weapons licensing board suspends or revokes a license issued under this act, the license is forfeited and shall be returned to the concealed weapons licensing board forthwith.

(17) As used in this section:

(a) “Convicted” means a final conviction, the payment of a fine, a plea of guilty or nolo contendere if accepted by the court, or a finding of guilt for a criminal law violation or a juvenile adjudication or disposition by the juvenile division of probate court or family division of circuit court for a violation that if committed by an adult would be a crime.

(b) “Felony” means that term as defined in section 1 of chapter I of the code of criminal procedure, 1927 PA 175, MCL 761.1, or a violation of a law of the United States or another state that is designated as a felony or that is punishable by death or by imprisonment for more than 1 year.

(c) “Mental illness” means a substantial disorder of thought or mood that significantly impairs judgment, behavior, capacity to recognize reality, or ability to cope with the ordinary demands of life, and includes, but is not limited to, clinical depression.

(d) “Misdemeanor” means a violation of a penal law of this state or violation of a local ordinance substantially corresponding to a violation of a penal law of this state that is not a felony or a violation of an order, rule, or regulation of a state agency that is punishable by imprisonment or a fine that is not a civil fine, or both.

(e) “Treatment” means care or any therapeutic service, including, but not limited to, the administration of a drug, and any other service for the treatment of a mental illness.

Effective date.

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

This act is ordered to take immediate effect.

Approved July 1, 2003.

Filed with Secretary of State July 1, 2003.

[No. 32]**(SB 22)**

AN ACT to amend 1939 PA 280, entitled “An act to protect the welfare of the people of this state; to provide general assistance, hospitalization, infirmary and medical care to poor or unfortunate persons; to provide for compliance by this state with the social security act; to provide protection, welfare and services to aged persons, dependent children, the blind, and the permanently and totally disabled; to administer programs and services for the prevention and treatment of delinquency, dependency and neglect of children; to create a state department of social services; to prescribe the powers and duties of the department; to provide for the interstate and intercounty transfer of dependents; to create county and district departments of social services; to create within certain county departments, bureaus of social aid and certain divisions and offices thereunder; to prescribe the powers and duties of the departments, bureaus and officers; to provide for appeals in certain cases; to prescribe the powers and duties of the state department with respect to county and district departments; to prescribe certain duties of certain other state departments, officers, and agencies; to make an appropriation; to prescribe penalties for the violation of the provisions of this act; and to repeal certain parts of this act on specific dates,” (MCL 400.1 to 400.119b) by adding section 106a.

The People of the State of Michigan enact:

400.106a Short title; medical assistance to individuals with earned income; establishment of program; limitation; eligibility; premium; report of earned income changes; report to governor; waiver; definitions.

Sec. 106a. (1) This section shall be known and may be cited as the “Michigan freedom to work for individuals with disabilities law”.

(2) The department of community health shall establish a program to provide medical assistance to individuals who have earned income and who meet all of the following eligibility criteria:

(a) The individual has been found to be disabled under the federal supplemental security income program or the social security disability income program, or would be found to be disabled except for earnings in excess of the substantial gainful activity level as established by the United States social security administration.

(b) The individual is at least 16 years of age and younger than 65 years of age.

(c) The individual has an unearned income level of not more than 100% of the current federal poverty guidelines.

(d) The individual is a current medical assistance recipient under section 106 or meets income, asset, and eligibility requirements for the medical assistance program under section 106.

(e) The individual is employed on a regular and continuing basis.

(3) The program is limited to the medical assistance services made available to recipients under the medical assistance program administered under section 105 and does not include personal assistance services in the workplace.

(4) Without losing eligibility for medical assistance, an individual who qualifies for and is enrolled under this program is permitted to do all of the following:

(a) Accumulate personal savings and assets not to exceed \$75,000.00.

(b) Accumulate unlimited retirement and individual retirement accounts.

(c) Have temporary breaks in employment that do not exceed 24 months if the temporary breaks are the result of an involuntary layoff or are determined to be medically necessary.

(d) Work and have income that exceeds the amount permitted under section 106, but shall not have unearned income that exceeds 100% of the federal poverty guidelines.

(5) The department of community health shall establish a premium that is based on earned income for individuals enrolled in the program subject to all of the following provisions:

(a) The premium shall be based on the enrolled individual's annualized earned income above 250% of the current federal poverty guidelines for a family of 1.

(b) Individuals with an earned income of between 250% of the federal poverty guidelines for a family of 1 and \$75,000.00 shall pay a sliding fee scale premium starting at \$600.00 annually and increasing to 100% of the average medical assistance recipient cost as determined by the department of community health for individuals with annual income of \$75,000.00 or more.

(c) The premium sliding fee scale shall have no more than 5 tiers.

(d) The premium for an enrolled individual shall generally be assessed on an annual basis based on the annual return required to be filed under the internal revenue code of 1986 or other evidence of earned income and shall be payable on a monthly basis. The premium shall be adjusted during the year when a change in an enrolled individual's rate of annual income moves the individual to a different premium tier.

(6) An enrolled individual has an affirmative duty to report earned income changes that would result in a different premium within 30 days to the department of community health.

(7) The department of community health shall report to the governor and the legislature within 2 years of the effective date of the amendatory act that added this section regarding all of the following:

(a) The effectiveness of the program in achieving its purposes.

(b) The number of individuals enrolled in the program.

(c) The costs and benefits of the program.

(d) The opportunities and projected costs of expanding the program to working individuals with disabilities who are not currently eligible for the program.

(e) Additional services that should be covered under the program to assist working individuals with disabilities in obtaining and maintaining employment.

(8) If the terms of this section are inconsistent with federal regulations governing federal financial participation in the medical assistance program, the department of community health may to the extent necessary waive any requirement set forth in subsections (1) to (5).

(9) The program established in this section shall be implemented on or before January 1, 2004.

(10) As used in this section:

(a) "Earned income" and "unearned income" mean those terms as used by the family independence agency in determining eligibility for the medical assistance program administered under this act.

(b) “Federal poverty guidelines” means the poverty guidelines published annually in the federal register by the United States department of health and human services under its authority to revise the poverty line under section 673(2) of subtitle B of title VI of the omnibus budget reconciliation act of 1981, Public Law 97-35, 42 U.S.C. 9902.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless House Bill No. 4270 of the 92nd Legislature is enacted into law.

This act is ordered to take immediate effect.

Approved July 2, 2003.

Filed with Secretary of State July 2, 2003.

Compiler's note: House Bill No. 4270, referred to in enacting section 1, was filed with the Secretary of State July 2, 2003, and became P.A. 2003, No. 33, Imd. Eff. July 2, 2003.

[No. 33]

(HB 4270)

AN ACT to amend 1939 PA 280, entitled “An act to protect the welfare of the people of this state; to provide general assistance, hospitalization, infirmary and medical care to poor or unfortunate persons; to provide for compliance by this state with the social security act; to provide protection, welfare and services to aged persons, dependent children, the blind, and the permanently and totally disabled; to administer programs and services for the prevention and treatment of delinquency, dependency and neglect of children; to create a state department of social services; to prescribe the powers and duties of the department; to provide for the interstate and intercounty transfer of dependents; to create county and district departments of social services; to create within certain county departments, bureaus of social aid and certain divisions and offices thereunder; to prescribe the powers and duties of the departments, bureaus and officers; to provide for appeals in certain cases; to prescribe the powers and duties of the state department with respect to county and district departments; to prescribe certain duties of certain other state departments, officers, and agencies; to make an appropriation; to prescribe penalties for the violation of the provisions of this act; and to repeal certain parts of this act on specific dates,” by amending section 106 (MCL 400.106), as amended by 1990 PA 145.

The People of the State of Michigan enact:

400.106 “Medically indigent individual,” “medical institution,” and “title XVI” defined.

Sec. 106. (1) A medically indigent individual is defined as:

(a) An individual receiving family independence program benefits or an individual receiving supplemental security income under title XVI or state supplementation under title XVI subject to limitations imposed by the director according to title XIX.

(b) Except as provided in section 106a, an individual who meets all of the following conditions:

(i) The individual has applied in the manner the family independence agency prescribes.

(ii) The individual's need for the type of medical assistance available under this act for which the individual applied has been professionally established and payment for it is not available through the legal obligation of a public or private contractor to pay or provide for the care without regard to the income or resources of the patient. The state department is subrogated to any right of recovery that a patient may have for the cost of hospitalization, pharmaceutical services, physician services, nursing services, and other medical services not to exceed the amount of funds expended by the department for the care and treatment of the patient. The patient or other person acting in the patient's behalf shall execute and deliver an assignment of claim or other authorizations as necessary to secure the right of recovery to the department. A payment may be withheld under this act for medical assistance for an injury or disability for which the patient is entitled to medical care or reimbursement for the cost of medical care under sections 3101 to 3179 of the insurance code of 1956, 1956 PA 218, MCL 500.3101 to 500.3179, or under another policy of insurance providing medical or hospital benefits, or both, for the patient unless the patient's entitlement to that medical care or reimbursement is at issue. If a payment is made, the state department, to enforce its subrogation right, may do either of the following: (a) intervene or join in an action or proceeding brought by the injured, diseased, or disabled person, the person's guardian, personal representative, estate, dependents, or survivors, against the third person who may be liable for the injury, disease, or disability, or against contractors, public or private, who may be liable to pay or provide medical care and services rendered to an injured, diseased, or disabled patient; (b) institute and prosecute a legal proceeding against a third person who may be liable for the injury, disease, or disability, or against contractors, public or private, who may be liable to pay or provide medical care and services rendered to an injured, diseased, or disabled patient, in state or federal court, either alone or in conjunction with the injured, diseased, or disabled person, the person's guardian, personal representative, estate, dependents, or survivors. The state department may institute the proceedings in its own name or in the name of the injured, diseased, or disabled person, the person's guardian, personal representative, estate, dependents, or survivors. As provided in section 6023 of the revised judicature act of 1961, 1961 PA 236, MCL 600.6023, the state department, in enforcing its subrogation right, shall not satisfy a judgment against the third person's property that is exempt from levy and sale. The injured, diseased, or disabled person may proceed in his or her own name, collecting the costs without the necessity of joining the state department or the state as a named party. The injured, diseased, or disabled person shall notify the state department of the action or proceeding entered into upon commencement of the action or proceeding. An action taken by the state or the state department in connection with the right of recovery afforded by this section does not deny the injured, diseased, or disabled person any part of the recovery beyond the costs expended on the person's behalf by the state department. The costs of legal action initiated by the state shall be paid by the state. A payment shall not be made under this act for medical assistance for an injury, disease, or disability for which the patient is entitled to medical care or the cost of medical care under the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941; except that payment may be made if an appropriate application for medical care or the cost of the medical care has been made under the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941, entitlement has not been finally determined, and an arrangement satisfactory to the state department has been made for reimbursement if the claim under the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941, is finally sustained.

(iii) The individual has an annual income that is below, or because of medical expenses falls below, the protected basic maintenance level. The protected basic maintenance level for 1-person and 2-person families shall be at least 100% of the higher of the payment

standards generally used to determine eligibility in the family independence program and the supplemental security income program under title XVI, including state supplementation. For families of 3 or more persons, the protected basic maintenance level shall be at least 100% of the payment standard generally used to determine eligibility in the family independence program. These levels shall recognize regional variations and shall not exceed 133-1/3% of the payment standard generally used to determine eligibility in the family independence program.

(iv) The individual, if a family independence program related individual and living alone, has liquid or marketable assets of not more than \$2,000.00 in value, or, if a 2-person family, the family has liquid or marketable assets of not more than \$3,000.00 in value. The family independence agency shall establish comparable liquid or marketable asset amounts for larger family groups. Excluded in making the determination of the value of liquid or marketable assets are the values of: the homestead; clothing; household effects; \$1,000.00 of cash surrender value of life insurance, except that if the health of the insured makes continuance of the insurance desirable, the entire cash surrender value of life insurance is excluded from consideration, up to the maximum provided or allowed by federal regulations and in accordance with the rules of the family independence agency; the fair market value of tangible personal property used in earning income; an amount paid as judgment or settlement for damages suffered as a result of exposure to agent orange, as defined in section 5701 of the public health code, 1978 PA 368, MCL 333.5701; and a space or plot purchased for the purposes of burial for the person. For individuals related to the title XVI program, the appropriate resource levels and property exemptions specified in title XVI shall be used.

(v) The individual is not an inmate of a public institution except as a patient in a medical institution.

(vi) The individual meets the eligibility standards for supplemental security income under title XVI or for state supplementation under the act, subject to limitations imposed by the director according to title XIX; or meets the eligibility standards for family independence program benefits, except for income or income and resources; or is a child from 18 to 21 years of age and his or her adult caretaker would be eligible for family independence program benefits except for age, income, or income and resources; or is a child under 21 years of age and is from a family whose income is below the basic maintenance level.

(2) As used in this act:

(a) “Medical institution” means a state licensed or approved hospital, nursing home, medical care facility, psychiatric hospital, or other facility or identifiable unit of a listed institution certified as meeting established standards for a nursing home or hospital in accordance with the laws of this state.

(b) “Title XVI” means title XVI of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1381 to 1382j and 1383 to 1383f.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 22 of the 92nd Legislature is enacted into law.

This act is ordered to take immediate effect.

Approved July 2, 2003.

Filed with Secretary of State July 2, 2003.

[No. 34]**(HB 4333)**

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 907 (MCL 257.907), as amended by 2002 PA 534.

The People of the State of Michigan enact:

257.907 Civil infraction not crime; payment of civil fine and costs; program of treatment, education, or rehabilitation; sanctions; schedule of civil fines and costs; recommended range of civil fines and costs; certification of repair of defective equipment; collection of civil fines or costs; noncompliance with order or judgment; additional assessment; waiver of fines and costs.

Sec. 907. (1) A violation of this act, or a local ordinance substantially corresponding to a provision of this act, which is designated a civil infraction shall not be considered a lesser included offense of a criminal offense.

(2) If a person is determined pursuant to sections 741 to 750 to be responsible or responsible “with explanation” for a civil infraction under this act or a local ordinance substantially corresponding to a provision of this act, the judge or district court magistrate may order the person to pay a civil fine of not more than \$100.00 and costs as provided in subsection (4). However, for a violation of section 674(1)(s) or a local ordinance substantially corresponding to section 674(1)(s), the person shall be ordered to pay costs as provided in subsection (4) and a civil fine of not less than \$100.00 or more than \$250.00. For a violation of section 328 or 710d, the civil fine ordered under this subsection shall not exceed \$10.00. For a violation of section 710e, the civil fine and court costs ordered under this subsection shall be \$25.00. For a violation of section 682 or a local ordinance substantially corresponding to section 682, the person shall be ordered to pay costs as provided in subsection (4) and a civil fine of not less than \$100.00 or more than \$500.00. Permission may be granted for payment of a civil fine and costs to be made within a specified period of time or in specified installments, but unless permission is included in the order or judgment, the civil fine and costs shall be payable immediately.

(3) Except as provided in this subsection, if a person is determined to be responsible or responsible “with explanation” for a civil infraction under this act or a local ordinance substantially corresponding to a provision of this act while driving a commercial motor vehicle, he or she shall be ordered to pay costs as provided in subsection (4) and a civil fine

of not more than \$250.00. If a person is determined to be responsible or responsible “with explanation” for a civil infraction under section 319g or a local ordinance substantially corresponding to section 319g, that person shall be ordered to pay costs as provided in subsection (4) and a civil fine of not more than \$10,000.00.

(4) If a civil fine is ordered under subsection (2) or (3), the judge or district court magistrate shall summarily tax and determine the costs of the action, which are not limited to the costs taxable in ordinary civil actions, and may include all expenses, direct and indirect, to which the plaintiff has been put in connection with the civil infraction, up to the entry of judgment. Except in a civil infraction for a parking violation, costs of not less than \$5.00 shall be ordered. Costs shall not be ordered in excess of \$100.00. A civil fine ordered under subsection (2) or (3) shall not be waived unless costs ordered under this subsection are waived. Except as otherwise provided by law, costs are payable to the general fund of the plaintiff.

(5) In addition to a civil fine and costs ordered under subsection (2) or (3) and subsection (4), the judge or district court magistrate may order the person to attend and complete a program of treatment, education, or rehabilitation.

(6) A district court magistrate shall impose the sanctions permitted under subsections (2), (3), and (5) only to the extent expressly authorized by the chief judge or only judge of the district court district.

(7) Each district of the district court and each municipal court may establish a schedule of civil fines and costs to be imposed for civil infractions which occur within the respective district or city. If a schedule is established, it shall be prominently posted and readily available for public inspection. A schedule need not include all violations which are designated by law or ordinance as civil infractions. A schedule may exclude cases on the basis of a defendant’s prior record of civil infractions or traffic offenses, or a combination of civil infractions and traffic offenses.

(8) The state court administrator shall annually publish and distribute to each district and court a recommended range of civil fines and costs for first-time civil infractions. This recommendation is not binding upon the courts having jurisdiction over civil infractions but is intended to act as a normative guide for judges and district court magistrates and a basis for public evaluation of disparities in the imposition of civil fines and costs throughout the state.

(9) If a person has received a civil infraction citation for defective safety equipment on a vehicle under section 683, the court shall waive a civil fine and costs, upon receipt of certification by a law enforcement agency that repair of the defective equipment was made before the appearance date on the citation.

(10) A default in the payment of a civil fine or costs ordered under subsection (2), (3), or (4) or an installment of the fine or costs may be collected by a means authorized for the enforcement of a judgment under chapter 40 of the revised judicature act of 1961, 1961 PA 236, MCL 600.4001 to 600.4065, or under chapter 60 of the revised judicature act of 1961, 1961 PA 236, MCL 600.6001 to 600.6098.

(11) If a person fails to comply with an order or judgment issued pursuant to this section, within the time prescribed by the court, the driver’s license of that person shall be suspended pursuant to section 321a until full compliance with that order or judgment occurs. In addition to this suspension, the court may also proceed under section 908.

(12) The court shall waive any civil fine or cost against a person who received a civil infraction citation for a violation of section 710d if the person, before the appearance date

on the citation, supplies the court with evidence of acquisition, purchase, or rental of a child seating system meeting the requirements of section 710d.

(13) In addition to any fines and costs ordered to be paid under this section, the judge or district court magistrate shall levy an assessment of \$5.00 for each civil infraction determination, except for a parking violation or a violation for which the total fine and costs imposed are \$10.00 or less. Upon payment of the assessment, the clerk of the court shall transmit the assessment levied to the state treasury to be deposited into the Michigan justice training fund. An assessment levied under this subsection is not a civil fine for purposes of section 909.

(14) If a person has received a citation for a violation of section 223, the court shall waive any fine and costs, upon receipt of certification by a law enforcement agency that the person, before the appearance date on the citation, produced a valid registration certificate that was valid on the date the violation of section 223 occurred.

Effective date.

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

This act is ordered to take immediate effect.

Approved July 2, 2003.

Filed with Secretary of State July 3, 2003.

[No. 35]

(HB 4356)

AN ACT to amend 1978 PA 368, entitled “An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to provide for an appropriation and supplements; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates,” by amending section 16611 (MCL 333.16611), as amended by 2002 PA 423.

The People of the State of Michigan enact:

333.16611 Dentist, dental hygienist, or dental assistant; license or authorization required; deep scaling, root planing, and removal of calcareous deposits; qualifications for dental hygienist licensure; administration of intraoral block and infiltration anesthesia by dental hygienist; requirements; additional delegation of procedures; third party reimbursement; definitions.

Sec. 16611. (1) An individual shall not engage in the practice of dentistry, the practice as a dental hygienist, or the practice as a dental assistant unless he or she is licensed or otherwise authorized by this article.

(2) Deep scaling, root planing, and the removal of calcareous deposits may only be performed by an individual licensed or otherwise authorized by this article as a dental hygienist or a dentist.

(3) The department shall not issue a dental hygienist's license to an individual unless the individual has graduated from a school or college for dental hygienists whose dental hygiene program is accredited by the commission on dental accreditation of the American dental association and approved by the department. The school or college must be accredited by a regional accrediting agency for colleges, universities, or institutions of higher education that is recognized by the United States department of education and approved by the department and must conduct a curriculum consisting of not less than 2 academic years for dental hygiene graduation with courses at the appropriate level to enable matriculation into a more advanced academic degree program.

(4) Upon delegation by a dentist under section 16215 and under the direct supervision of a dentist, a dental hygienist may administer intraoral block and infiltration anesthesia to a patient who is 18 years of age or older if the following criteria are met:

(a) The dental hygienist has successfully completed a course in the administration of local anesthesia offered by a dental or dental hygiene program accredited by the commission on dental accreditation of the American dental association and approved by the department. A course described in this subdivision must contain a minimum of 15 hours didactic instruction and 14 hours of clinical experience. The courses of instruction shall include content in all of the following:

- (i) Theory of pain control.
- (ii) Selection of pain control modalities.
- (iii) Anatomy.
- (iv) Neurophysiology.
- (v) Pharmacology of local anesthetics.
- (vi) Pharmacology of vasoconstrictors.
- (vii) Psychological aspects of pain control.
- (viii) Systemic complications.
- (ix) Techniques of maxillary anesthesia.
- (x) Techniques of mandibular anesthesia.
- (xi) Infection control.
- (xii) Local anesthesia medical emergencies.

(b) The dental hygienist has successfully completed a state or regional board-administered written examination on local anesthesia within 18 months of completion of the course work required under subdivision (a).

(c) The dental hygienist maintains and can show evidence of current certification in basic or advanced cardiac life support in compliance with R 338.11701 of the Michigan administrative code.

(5) Application for certification in the administration of local anesthesia under subsection (4) is at the discretion of each individual dental hygienist.

(6) Upon assignment by a dentist, a dental hygienist may take an impression for orthodontic appliances, mouth guards, bite splints, and bleaching trays.

(7) In addition to the rules promulgated by the department under this part, upon delegation by a dentist under section 16215 and under the direct supervision of a dentist, a registered dental assistant may perform the following procedures:

(a) Placing, condensing, and carving amalgam restorations.

(b) Taking final impressions for indirect restorations.

(8) In addition to the rules promulgated by the department under this part, upon delegation by a dentist under section 16215 and under the general supervision of a dentist, a registered dental assistant may perform the following intra-oral dental procedures:

(a) Performing pulp vitality testing.

(b) Placing and removing matrices and wedges.

(c) Applying cavity liners and bases.

(d) Placing and packing nonepinephrine retraction cords.

(e) Applying desensitizing agents.

(f) Taking an impression for orthodontic appliances, mouth guards, bite splints, and bleaching trays.

(g) Drying endodontic canals with absorbent points.

(h) Etching and placing adhesives prior to placement of orthodontic brackets.

(9) This section does not require new or additional third party reimbursement or mandated worker's compensation benefits for services rendered by an individual licensed as a dental assistant or as a dental hygienist under this article.

(10) As used in this section:

(a) "Direct supervision" means that a dentist complies with all of the following:

(i) Designates a patient of record upon whom the procedures are to be performed and describes the procedures to be performed.

(ii) Examines the patient before prescribing the procedures to be performed and upon completion of the procedures.

(iii) Is physically present in the office at the time the procedures are being performed.

(b) "General supervision" means that a dentist complies with all of the following:

(i) Designates a patient of record upon whom services are to be performed.

(ii) Is physically present in the office at the time the procedures are being performed.

This act is ordered to take immediate effect.

Approved July 2, 2003.

Filed with Secretary of State July 3, 2003.

[No. 36]**(HB 4083)**

AN ACT to amend 1994 PA 451, entitled “An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts,” by amending section 36103 (MCL 324.36103), as amended by 1996 PA 233.

The People of the State of Michigan enact:

324.36103 Development rights agreement or easement; effect of execution and acceptance; term; limitation; disposition; prior lien, lease, or interest not superseded; lien of state or local governing body; subordination.

Sec. 36103. (1) The execution and acceptance of a development rights agreement or easement by the state or local governing body and the owner dedicates to the public the development rights in the land for the term specified in the instrument. A development rights agreement or easement shall be for an initial term of not less than 10 years. A development rights agreement or easement entered into after June 5, 1996 shall not be for a term of more than 90 years.

(2) The state or local governing body shall not sell, transfer, convey, relinquish, vacate, or otherwise dispose of a development rights agreement or easement except with the agreement of the owner as provided in sections 36111, 36111a, 36112, and 36113.

(3) An agreement or easement does not supersede any prior lien, lease, or interest that is properly recorded with the county register of deeds.

(4) A lien created under this part in favor of the state or a local governing body is subordinate to a lien of a mortgage that is recorded in the office of the register of deeds before the recording of the lien of the state or local governing body.

(5) The state shall subordinate its interest in a recorded agreement under section 36104 or an easement under section 36105 or 36106 to a subsequently recorded mortgage lien, lease, or interest if both of the following conditions are met:

(a) The parcel meets the requirements set forth under section 36111(2)(a) for parcels containing existing structures.

(b) The landowner requesting the subordination is an individual essential to the operation of the farm as defined in section 36110(5).

This act is ordered to take immediate effect.

Approved July 2, 2003.

Filed with Secretary of State July 3, 2003.

[No. 37]**(SB 246)**

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 11 (MCL 257.11), as amended by 2002 PA 652.

The People of the State of Michigan enact:

257.11 “Dealer” defined.

Sec. 11. (1) Except as provided in this section, “dealer” means a person who is 1 or more of the following:

(a) A person who in a 12-month period did 1 or more of the following:

(i) Engaged in the business of purchasing, selling, exchanging, brokering, leasing, or dealing in vehicles of a type required to be titled under this act.

(ii) Engaged in the business of purchasing, selling, exchanging, brokering, or dealing in salvageable parts of 5 or more vehicles.

(iii) Engaged in the business of buying 5 or more vehicles to sell vehicle parts or process into scrap metal.

(b) A person engaged in the actual remanufacturing of engines or transmissions.

(2) There is a rebuttable presumption that a person who in a 12-month period buys and sells, exchanges, brokers, leases, or deals in 5 or more vehicles, or buys and sells, exchanges, brokers, or deals in salvageable parts for 5 or more vehicles, or buys 5 or more vehicles to sell vehicle parts or to process into scrap metal is engaged in a business described in subsection (1).

(3) Dealer does not include any of the following:

(a) A financial institution, as defined in section 10 of 1909 PA 99, MCL 129.40, or an entity wholly owned by 1 or more financial institutions.

(b) A bank holding company.

(c) A person who buys or sells remanufactured vehicle engine and transmission salvageable vehicle parts or who receives in exchange used engines or transmissions if the primary business of the person is the selling of new vehicle parts and the person is not engaged in any other activity that requires a dealer license under this act.

(d) For purposes of dealer licensing, a person who negotiates the lease of a vehicle of a type required to be titled under this act for a lease term of less than 120 days.

(e) A person whose business is the financing of the purchase, sale, or lease of vehicles of a type required to be titled under this act and that is not otherwise engaged in activities described in subsection (1).

(f) An employee or agent of a dealer acting in the scope of his or her employment or agency.

(g) An insurer, as defined in section 106 of the insurance code of 1956, 1956 PA 218, MCL 500.106.

(h) A person engaged in leasing vehicles solely for commercial or other nonhousehold use.

(i) A lessor selling 1 or more off lease vehicles.

This act is ordered to take immediate effect.

Approved July 3, 2003.

Filed with Secretary of State July 3, 2003.

[No. 38]

(SB 362)

AN ACT to amend 1979 PA 72, entitled “An act to require the governor to report certain tax expenditure items with the annual budget message to the legislature,” by amending the title and sections 1, 2, and 3 (MCL 21.271, 21.272, and 21.273), section 2 as amended by 1996 PA 32 and section 3 as amended by 1983 PA 7.

The People of the State of Michigan enact:

TITLE

An act to require the governor to report certain tax information with the annual budget message to the legislature.

21.271 Reporting tax credits, deductions, and exemptions with annual budget message; duty of department of treasury.

Sec. 1. The governor, with the annual budget message to the legislature, shall report, at a minimum, the tax credits, deductions, and exemptions enumerated in this act. The message shall include tax credits, deductions, and exemptions by budget and also shall contain a separate report on tax credits, deductions, and exemptions in total that may be printed as an appendix to the budget. The department of treasury shall furnish these items to the governor for inclusion in the report as required by this act.

21.272 Reporting pursuant to MCL 206.1 to 206.532.

Sec. 2. The governor shall report the following compiled pursuant to the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532:

(a) Number and amount of personal exemptions by household or adjusted gross income class.

(b) Number of special or extra exemptions by household or adjusted gross income class.

(c) Number and amount of property tax credits by household or adjusted gross income class and by type of claimant.

(d) Number and amount of city income tax credits by household or adjusted gross income class.

(e) Number and amount of tax credits under section 260 of the income tax act of 1967, 1967 PA 281, MCL 206.260, by the type and purpose of charitable contribution, and the household or adjusted gross income class.

(f) Number and amount of solar, wind, or water energy conversion device tax credits by the type of dwelling and the household or adjusted gross income class.

(g) Number and amount of heating fuel cost tax credits by household or adjusted gross income class.

(h) Number and amount of gleaning tax credits by household or adjusted gross income class.

(i) Number of positive checkoffs and the amount checked off for the state campaign fund created pursuant to section 61 of the Michigan campaign finance act, 1976 PA 388, MCL 169.261.

(j) Amount and type of subtractions from taxable income as provided on the state income tax form.

(k) To the extent available from published statistical data, estimated cost of the following items not taxed by this state due to federal statute or regulation:

(i) Capital gains.

(ii) Accelerated depreciation.

(iii) Other items generally regarded as income that are not subject to state taxation because of exemption under the internal revenue code.

(l) Number and amount of credits granted to persons covered by development rights agreements pursuant to part 361 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36101 to 324.36117, by income class.

(m) Other deductions or credits as provided by law.

21.273 Reporting pursuant to MCL 208.1 et seq.

Sec. 3. The governor shall report the following compiled pursuant to the single business tax act, 1975 PA 228, MCL 208.1 to 208.145:

(a) Amount of capital investment write off for real and personal property separately by size of final liability of taxpayer.

(b) Amount of business loss by size of final liability of taxpayer.

(c) Amount of carryforward loss by size of final liability of taxpayer.

(d) Number of taxpayers filing under the gross receipt limitation provided by section 31(2) of the single business tax act, 1975 PA 228, MCL 208.31, and amount of tax foregone.

(e) Number of taxpayers filing under section 31(4) of the single business tax act, 1975 PA 228, MCL 208.31, and amount of tax foregone.

(f) Number of taxpayers claiming the basic exemption under section 35(1)(a) of the single business tax act, 1975 PA 228, MCL 208.35, and amount of tax foregone.

(g) Number of taxpayers filing for the added exemption for partnerships as provided in section 35(1)(a) of the single business tax act, 1975 PA 228, MCL 208.35, and amount of tax foregone.

(h) Number of claimants and amount of tax foregone under section 35(1)(e) of the single business tax act, 1975 PA 228, MCL 208.35.

- (i) Number of claimants and amount of tax foregone under section 35(1)(f) of the single business tax act, 1975 PA 228, MCL 208.35.
- (j) Number of claimants and amount of tax foregone under section 35(1)(h) of the single business tax act, 1975 PA 228, MCL 208.35.
- (k) Number of claimants by size of final liability and amount of tax foregone under section 36 of the single business tax act, 1975 PA 228, MCL 208.36.
- (l) Number of claimants by size of final liability and amount of tax foregone under section 37 of the single business tax act, 1975 PA 228, MCL 208.37.
- (m) Number of claimants by size of final liability and amount of tax foregone under section 38 of the single business tax act, 1975 PA 228, MCL 208.38.
- (n) Number of claimants by size of final liability and amount of tax foregone under section 39(1) of the single business tax act, 1975 PA 228, MCL 208.39.
- (o) Other deductions or credits as provided by law.

This act is ordered to take immediate effect.
 Approved July 7, 2003.
 Filed with Secretary of State July 8, 2003.

[No. 39]

(HB 4032)

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies for 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

Appropriations; supplemental; various state departments and agencies.

Sec. 101. 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:

Full-time equated classified positions	15.0		
GROSS APPROPRIATION		\$	357,385,200
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		\$	357,385,200
Federal revenues:			
Total federal revenues			230,846,300
Special revenue funds:			
Total local revenues			118,684,000
Total private revenues			0

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Total other state restricted revenues	\$	13,500,000
State general fund/general purpose	\$	(5,645,100)

Department of agriculture.

Sec. 102. DEPARTMENT OF AGRICULTURE

(1) APPROPRIATION SUMMARY

Full-time equated classified positions	10.0	
GROSS APPROPRIATION	\$	7,250,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	7,250,000

Federal revenues:		
Total federal revenues		7,250,000
Special revenue funds:		
State general fund/general purpose	\$	0

(2) PESTICIDE AND PLANT PEST MANAGEMENT

Full-time equated classified positions	10.0	
Emerald ash borer program—10.0 FTE positions	\$	7,250,000
GROSS APPROPRIATION	\$	7,250,000
Appropriated from:		
Federal revenues:		
DAG, multiple grants		7,250,000
Special revenue funds:		
State general fund/general purpose	\$	0

Capital outlay.

Sec. 103. CAPITAL OUTLAY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	12,000,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	12,000,000

Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		12,000,000
State general fund/general purpose	\$	0

(2) DEPARTMENT OF TRANSPORTATION

AERONAUTICS FUND: AIRPORT PROGRAMS

Airport improvement program	\$	12,000,000
GROSS APPROPRIATION	\$	12,000,000
Appropriated from:		
Special revenue funds:		
Comprehensive transportation bond proceeds		12,000,000
State general fund/general purpose	\$	0

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Department of career development.

Sec. 104. DEPARTMENT OF CAREER DEVELOPMENT

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.....	\$	(50,000)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION.....	\$	(50,000)
Special revenue funds:		
State general fund/general purpose	\$	(50,000)

(2) DEPARTMENT GRANTS

Focus: HOPE.....	\$	(50,000)
GROSS APPROPRIATION.....	\$	(50,000)
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	\$	(50,000)

Department of community health.

Sec. 105. DEPARTMENT OF COMMUNITY HEALTH

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.....	\$	228,173,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION.....	\$	228,173,200
Federal revenues:		
Total federal revenues.....		114,387,400
Special revenue funds:		
Total local revenues		118,685,800
Total private revenues.....		0
Total other state restricted revenues.....		0
State general fund/general purpose	\$	(4,900,000)

(2) EPIDEMIOLOGY

Bioterrorism preparedness	\$	23,300,000
GROSS APPROPRIATION.....	\$	23,300,000
Appropriated from:		
Federal revenues:		
Total federal revenues.....		23,300,000
Special revenue funds:		
State general fund/general purpose	\$	0

(3) MEDICAL SERVICES

Hospital services and therapy.....	\$	48,030,100
Long-term care services.....		50,000,000
Health plan services.....		98,001,500
Special adjustor payments		8,841,600
GROSS APPROPRIATION.....	\$	204,873,200

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

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Appropriated from:	
Federal revenues:	
Total federal revenues	\$ 91,087,400
Special revenue funds:	
Total local revenues	118,685,800
State general fund/general purpose	\$ (4,900,000)

Family independence agency.

Sec. 106. FAMILY INDEPENDENCE AGENCY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$ 8,400,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION.....	\$ 8,400,000
Federal revenues:	
Total federal revenues	8,400,000
Special revenue funds:	
State general fund/general purpose	\$ 0

(2) PUBLIC ASSISTANCE

Low-income energy assistance program	\$ 8,400,000
GROSS APPROPRIATION	\$ 8,400,000
Appropriated from:	
Federal revenues:	
Total federal revenues	8,400,000
Special revenue funds:	
State general fund/general purpose	\$ 0

Department of history, arts, and libraries.

**Sec. 107. DEPARTMENT OF HISTORY, ARTS,
AND LIBRARIES**

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$ 26,900
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION.....	\$ 26,900
Federal revenues:	
Total federal revenues	26,900
Special revenue funds:	
State general fund/general purpose	\$ 0

(2) LIBRARY OF MICHIGAN

Library of Michigan operations.....	\$ 26,900
GROSS APPROPRIATION	\$ 26,900
Appropriated from:	
Federal revenues:	
Federal section 903(d), SSA funds	26,900
Special revenue funds:	
State general fund/general purpose	\$ 0

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Judiciary.

Sec. 108. JUDICIARY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	(1,103,700)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION.....	\$	(1,103,700)
Federal revenues:		
Total federal revenues.....		0
Special revenue funds:		
Total local revenues		(1,800)
Total private revenues.....		0
Total other state restricted revenues.....		0
State general fund/general purpose	\$	(1,101,900)
(2) EARLY RETIREMENT AND BUDGETARY SAVINGS		
Judiciary reductions	\$	(1,103,700)
GROSS APPROPRIATION.....	\$	(1,103,700)
Appropriated from:		
Special revenue funds:		
Local user fees		(1,800)
State general fund/general purpose	\$	(1,101,900)

Legislature.

Sec. 109. LEGISLATURE

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	(1,843,200)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION.....	\$	(1,843,200)
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	\$	(1,843,200)
(2) LEGISLATURE		
Senate	\$	(470,200)
Senate automated data processing.....		(43,500)
Senate fiscal agency		(62,000)
House of representatives		(604,600)
House automated data processing.....		(33,000)
House fiscal agency		(58,400)
Legislative auditor general.....		(246,700)
GROSS APPROPRIATION.....	\$	(1,518,400)
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	\$	(1,518,400)

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(3) LEGISLATIVE COUNCIL

Legislative council	\$	(210,800)
Legislative service bureau automated data processing.....		(29,000)
e-Law, legislative council technology enhancement project.....		(3,900)
Legislative corrections ombudsman		(10,700)
Worker’s compensation.....		(2,900)
National association dues		(7,400)
GROSS APPROPRIATION	\$	<u>(264,700)</u>

Appropriated from:

Special revenue funds:

State general fund/general purpose	\$	(264,700)
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(4) LEGISLATIVE RETIREMENT SYSTEM

General nonretirement expenses	\$	<u>(60,100)</u>
GROSS APPROPRIATION	\$	<u>(60,100)</u>

Appropriated from:

Special revenue funds:

State general fund/general purpose	\$	(60,100)
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Department of military and veterans affairs.

Sec. 110. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	50,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION.....	\$	50,000
Special revenue funds:		
State general fund/general purpose	\$	50,000

(2) HEADQUARTERS AND ARMORIES

Family support services	\$	<u>50,000</u>
GROSS APPROPRIATION.....	\$	<u>50,000</u>

Appropriated from:

Special revenue funds:

State general fund/general purpose	\$	50,000
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Department of natural resources.

Sec. 111. DEPARTMENT OF NATURAL RESOURCES

(1) APPROPRIATION SUMMARY

Full-time equated classified positions.....5.0		
GROSS APPROPRIATION	\$	3,500,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION.....	\$	3,500,000
Federal revenues:		
Total federal revenues.....		2,000,000
Special revenue funds:		
Total other state restricted revenues		1,500,000
State general fund/general purpose	\$	0

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(2) FOREST, MINERAL, AND FIRE MANAGEMENT

Full-time equated classified positions	5.0	
Forest cultivation and reforestation—5.0 FTE positions		\$ 500,000
GROSS APPROPRIATION		\$ 500,000
Appropriated from:		
Federal revenues:		
DAG, federal.....		500,000
Special revenue funds:		
State general fund/general purpose	\$	0

(3) GRANTS

Federal - urban forestry grants.....	\$	1,500,000
GROSS APPROPRIATION	\$	1,500,000
Appropriated from:		
Federal revenues:		
DAG, federal.....		1,500,000
Special revenue funds:		
State general fund/general purpose	\$	0

(4) PAYMENTS IN LIEU OF TAXES

Purchased lands taxes	\$	1,500,000
GROSS APPROPRIATION	\$	1,500,000
Appropriated from:		
Special revenue funds:		
Cleanup and redevelopment trust fund.....		1,500,000
State general fund/general purpose	\$	0

Department of state.

Sec. 112. DEPARTMENT OF STATE

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	16,700,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION.....	\$	16,700,000
Federal revenues:		
Total federal revenues		16,700,000
Special revenue funds:		
Total local revenues		0
Total private revenues.....		0
Total other state restricted revenues.....		0
State general fund/general purpose	\$	0

(2) ELECTION REGULATION

Help America vote act.....	\$	16,700,000
GROSS APPROPRIATION	\$	16,700,000
Appropriated from:		
Federal revenues:		
Federal revenues		16,700,000

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

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Special revenue funds:
State general fund/general purpose \$ 0

Department of state police.

Sec. 113. DEPARTMENT OF STATE POLICE

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION \$ 60,282,000
 Interdepartmental grant revenues:
 Total interdepartmental grants and intradepartmental transfers 0
 ADJUSTED GROSS APPROPRIATION..... \$ 60,282,000
 Federal revenues:
 Total federal revenues 58,082,200
 Special revenue funds:
 Total local revenues 0
 Total private revenues..... 0
 Total other state restricted revenues 0
 State general fund/general purpose \$ 2,200,000

(2) EMERGENCY MANAGEMENT

Homeland security grant program \$ 42,164,000
 Grants for disaster assistance 2,200,000
 Hazardous materials program 15,918,000
 GROSS APPROPRIATION \$ 60,282,000
 Appropriated from:
 Federal revenues:
 Department of homeland security 42,164,000
 DOJ 15,918,000
 Special revenue funds:
 State general fund/general purpose \$ 2,200,000

Department of transportation.

Sec. 114. DEPARTMENT OF TRANSPORTATION

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION \$ 24,000,000
 Interdepartmental grant revenues:
 Total interdepartmental grants and intradepartmental transfers 0
 ADJUSTED GROSS APPROPRIATION..... \$ 24,000,000
 Total federal revenues 24,000,000
 Total local revenues 0
 Total private revenues..... 0
 Total other state restricted revenues 0
 State general fund/general purpose \$ 0

(2) ROAD AND BRIDGE PROGRAMS

State trunkline federal aid and road and bridge construction \$ (175,202,300)
 Local federal aid and road and bridge construction..... 18,000,000
 M-24, from the south Lapeer County line to south of I-69,
 Lapeer County 11,594,600

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

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M-84, from south of Kochville road to south junction of M-13, Saginaw and Bay Counties	\$	5,925,000
US-127, north of St. Johns to Ithaca, Clinton and Gratiot Counties.....		4,710,000
I-196/Chicago drive, interchange modification (Baldwin road connector), Kent and Ottawa Counties.....		8,800,000
I-96/36th street interchange (I-96 airport area access), Kent County		6,560,000
I-96, east of the Thornapple River, Kent County.....		193,000
US-31, Holland to Grand Haven, Ottawa County		6,110,000
I-96/Beck road, Novi, Oakland County		11,041,800
I-96/Wixom road, Novi, Oakland County		9,787,200
I-375/east Detroit riverfront access, Detroit, Wayne County		12,224,000
I-94, from west of I-96 to east of Conner road, Detroit, Wayne County		14,200,000
I-75/I-96/Ambassador Bridge gateway, Detroit, Wayne County.....		17,726,800
M-59/Crooks road, Rochester Hills, Oakland County		1,833,000
M-59, from Crooks road to Ryan road, Oakland and Macomb Counties.....		5,834,200
I-75/M-59 interchange reconstruction, Auburn Hills, Oakland County		1,610,400
M-53, 12 Mile road to 14 Mile road, Warren, Macomb County		100
I-696/Franklin road, Southfield, Oakland County.....		4,089,600
I-75, 8 Mile road to M-59, Oakland County.....		3,400,000
I-75/Crooks road, Troy, Oakland County		800,000
I-75, south of Chrysler drive to M-24, Auburn Hills, Oakland County		1,800,000
M-59/Adams road, Auburn Hills and Rochester Hills, Oakland County		3,732,000
M-53 interchange at Van Dyke road and 18 1/2 Mile road, Sterling Heights, Macomb County		2,108,800
US-24, Brownstown Township, Wayne County		100
M-42, from existing US-131 to new US-131, Wexford County		263,800
M-72, US-31 northeast of Traverse City to the Kalkaska County line, Grand Traverse County		28,600
US-131, from 6 1/2 Mile road to the Manistee River Bridge, Wexford County.....		340,600
US-131, Manton bypass landscaping, Wexford County.....		69,600
I-94 business loop, Battle Creek, Calhoun County.....		1,600,000
US-131, state line to N Township line, Lockport Township, St. Joseph County.....		5,560,000
US-31, Napier avenue to I-94, Berrien County		15,474,000
US-2, Iron Mountain, Washington street to Michigan avenue, Dickinson County.....		100
I-94/Baker road, Washtenaw County.....		1,626,000

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
M-59, from I-96 to old US-23, Livingston County.....	\$ 19,759,000
US-23, M-14 to I-96, Washtenaw and Livingston Counties.....	2,400,000
GROSS APPROPRIATION.....	\$ 24,000,000
Appropriated from:	
Federal revenues:	
DOT - FHWA, highway research, planning, and construction.....	24,000,000
State general fund/general purpose	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

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 from state resources under part 1 for the fiscal year ending September 30, 2003 is \$7,854,900.00 and state appropriations paid to local units of government are \$3,700,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF NATURAL RESOURCES
PAYMENTS IN LIEU OF TAXES

Purchased lands taxes	\$ 1,500,000
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DEPARTMENT OF STATE POLICE
EMERGENCY MANAGEMENT

Grants for disaster assistance	\$ 2,200,000
Total payments to local units of government.....	\$ 3,700,000

Appropriations and expenditures subject to MCL 18.1101 to 18.1594.

Sec. 202. The appropriations made and expenditures authorized under this act 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.

Appropriation from Michigan tobacco settlement trust fund.

Sec. 203. For the fiscal year ending September 30, 2003, there is appropriated from the Michigan tobacco settlement trust fund to the general fund the amount of \$14,600,000.00.

Appropriation from Michigan merit award trust fund.

Sec. 204. For the fiscal year ending September 30, 2003, there is appropriated from the Michigan merit award trust fund to the general fund the amount of \$1,300,000.00.

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

Vendor debarment actions; report.

Sec. 205. The department of management and budget shall provide a monthly report to the senate majority leader, speaker of the house of representatives, senate minority leader, house minority leader, house appropriations committee chair and minority vice chair, and senate appropriations committee chair and minority vice chair detailing information on vendor debarment actions taken pursuant to Executive Order No. 2003-1 and section 264 of the management and budget act, 1984 PA 431, MCL 18.1264. The report shall be submitted no later than the fifteenth of each month and shall include information for the immediately preceding month including the name of the debarred vendor, the reason for the debarment, and the time period of the debarment. The director of the department of management and budget shall also include in this report the status and text of any proposed revisions to written departmental rules, policies, and procedures designed to implement and conform with Executive Order No. 2003-1.

AGRICULTURE**Agriculture equine industry development fund; deposit of funds.**

Sec. 251. The funds appropriated in section 110 of 2002 PA 516 for distribution of outstanding tickets shall be deposited in the agriculture equine industry development fund pursuant to section 2 of 1951 PA 90, MCL 431.252. These funds shall be expended in accordance with section 2 of 1951 PA 90, MCL 431.252, on or before May 30, 2003.

ATTORNEY GENERAL**Civil actions filed by prisoners; litigation expenditures.**

Sec. 275. From the prisoner reimbursement funds appropriated in part 1 of 2002 PA 528, the department may spend up to \$301,700.00 on activities related to the state correctional facility reimbursement act, 1935 PA 253, MCL 800.401 to 800.406. If the department collects in excess of \$1,131,000.00, the excess provided to the general fund, up to a maximum of \$800,000.00, is appropriated to the department of attorney general to be spent on defense of litigation against the state, its departments, or employees in civil actions filed by prisoners.

CAPITAL OUTLAY**Midfield terminal project.**

Sec. 301. From the appropriation contained in part 1 for the airport improvement programs, \$12,000,000.00 in comprehensive transportation bond proceeds shall be used as state resources for state-funded components of the midfield terminal project.

COMMUNITY HEALTH**Salvation Army harbor light program; substance abuse services.**

Sec. 315. The department of community health shall contract directly with the Salvation Army harbor light program for the provision of substance abuse services.

Bioterrorism preparedness; documentation.

Sec. 316. (1) From the funds appropriated in section 105 for bioterrorism preparedness, it is the intent of the legislature that priority consideration for the allocation of these funds be made in such a way as to assure the ability of Michigan's local public health departments to detect and respond to all bioterrorism events.

(2) The department of community health shall provide documentation to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies that local public health departments have been directly involved in the work plan development including the determination of proposed funding allocations and that those local public health departments have approved those plans and allocations. The intent of this provision is to assure meaningful collaboration between state and local public health officials and that the approved plans and fund allocations reflect a majority consensus of the involved parties.

CONSUMER AND INDUSTRY SERVICES**Michigan broadband development authority; headquarters.**

Sec. 325. It is the intent of the legislature that the headquarters of the Michigan broadband development authority remain at the Michigan information and technology center in Ann Arbor. The legislature determines that the synergy that will be created by the location of the Michigan broadband development authority within the Michigan information and technology center is important to fully realizing the potential of the authority to achieve its statutory mission.

DEPARTMENT OF EDUCATION**AYP status report; data.**

Sec. 351. (1) In order to avoid a deduction under subsection (2), the department of education shall ensure that the following data are included in its September 30, 2003 calculations when determining whether a school has met the federal adequate yearly progress (AYP) standard in compliance with the federal no child left behind act of 2001, Public Law 107-110, 115 Stat. 1425:

- (a) Graduation rates for high school students.
- (b) Attendance rates for middle and elementary school students.
- (c) High school Michigan educational assessment program (MEAP) scores in English language arts and mathematics.
- (d) The following subgroups of students at the elementary, middle school, and high school levels:
 - (i) Economically disadvantaged students.
 - (ii) Major racial or ethnic groups.
 - (iii) Students with disabilities.
 - (iv) English language learners.

(2) If these data sets are not included in the September 30, 2003 AYP status report, a total of \$1,000,000.00 general fund is deducted from the department's office of the superintendent appropriation.

HISTORY, ARTS, AND LIBRARIES

Funds awarded to libraries; purpose.

Sec. 402. The funds appropriated in part 1 for the library of Michigan operations shall be awarded on a competitive basis to all eligible libraries for the purpose of providing libraries with computers and to train library staff to assist claimants in accessing unemployment agency websites.

JUDICIARY

Transfer of savings.

Sec. 501. The authorized agent for the judiciary shall transfer the savings necessary to achieve the reductions in part 1 of this bill to appropriate line items pursuant to section 202(2) of 2002 PA 515.

MICHIGAN STRATEGIC FUND

Life sciences corridor initiative; steering committee.

Sec. 601. (1) The funds appropriated in part 1 for the life sciences corridor initiative are appropriated to support basic and applied research in health-related areas, with emphasis on issues related to aging. The program shall be administered by the Michigan economic development corporation.

(2) A life sciences steering committee, appointed by the governor, shall consist of 14 members including the chief executive officer of the Michigan economic development corporation, a member from Michigan State University, the University of Michigan, Wayne State University, the Van Andel institute, and 2 members from the private sector. The remaining members shall be appointed at large and may include members from the private sector, public sector, or other Michigan universities. Committee members are authorized to designate alternate members. The purpose of the steering committee is to provide advice and oversight of the initiative, including the development of criteria for the award of contracts or grants to qualifying universities, institutions, or individuals. The steering committee will make decisions regarding distribution of these grant funds and has the authority to make adjustments to the category funding percentage from basic research and collaborative research grants to the commercialization fund based upon the demands within categories and the quality of the applications received.

(3) Of the funds appropriated, up to \$1,500,000.00 may be used for administering the initiative and not less than \$3,000,000.00 shall be used to support a commercial development fund to support commercialization opportunities for life science research in

Michigan. In allocating funding to the commercial development fund, it is the intent of the legislature that the life sciences steering committee give maximum priority to supporting all potential commercialization opportunities that appear to have merit. Of the remaining funds appropriated, 45% are allocated for a basic research fund, to be distributed on a competitive basis to Michigan universities or Michigan nonprofit research institutes, or both, for basic research in health-related areas. Not less than \$4,000,000.00 is allocated to research related to aging diseases and health problems. In addition, 55% of the remaining appropriated funds are earmarked for a collaborative research fund to support peer-reviewed collaborative grants among Michigan universities and private research facilities, with emphasis on testing or developing emerging discoveries.

(4) Repayment of any funds received as a result of awards made under 1999 PA 120, 2000 PA 292, 2001 PA 80, or this act including, but not limited to, funds received as interest or return on investment shall be deposited in the fund described in subsection (3) from which it was awarded to be expended for the same purposes. These funds are authorized for expenditure upon receipt and shall not lapse to the general fund.

(5) The records of the life sciences steering committee involving a proposal submitted by an eligible entity that are of a scientific, technical, or proprietary nature, the release of which could cause competitive harm to the eligible entity as determined by the life sciences steering committee, are exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(6) The process for determining eligible applicants shall be consistent with the process used in the fiscal year 2001-2002 grant cycle. Any cost overruns required to achieve this shall be the responsibility of the Michigan economic development corporation and shall be paid out of corporate or other nonappropriated revenue sources.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Family support services.

Sec. 701. The appropriation in part 1 for family support services in the department of military and veterans affairs shall be expended by the department to provide emergency support for families of national guard members who have been called to active duty.

DEPARTMENT OF STATE

Credit and debit card services; service assessments.

Sec. 751. (1) Any service assessment collected by the department of state from the user of a credit or debit card under section 3 of 1995 PA 144, MCL 11.23, is appropriated to the department for necessary expenses related to that service and may be remitted to a credit or debit card company, bank, or other financial institution. Funds are allotted for expenditure when they are received by the department of treasury.

(2) The service assessment imposed by the department of state for credit and debit card services may be based either on a percentage of each individual credit or debit card transaction, or on a flat rate per transaction, or both, scaled to the amount of the transaction. However, the department shall not charge any amount for a service assessment which exceeds the costs billable to the department for service assessments.